

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

LEGISLATIVE HISTORY

Public Law 733—79th Congress

Chapter 966—2d Session

H. R. 6932 ✓

TABLE OF CONTENTS

Digest of Public Law 733	1
Index and Summary of History on H. R. 6932	.2

DIGEST OF PUBLIC LAW 733

RESEARCH AND MARKETING. Authorizes additional appropriations as follows: (1) Payments to States, etc., for research, \$2,500,000 for 1947, \$5,000,000 for 1948, \$10,000,000 for 1949, \$15,000,000 for 1950, \$20,000,000 for 1951, and unlimited authorizations thereafter: provides that these funds will be distributed, on a matching basis, as follows: 20% equally to each State, etc., at least 26% on the basis of rural population, at least 26% on the basis of farm population, not over 25% for regional problems, and 3% for administrative expenses. (2) Authorization to the Department for utilization research: \$3,000,000 for 1947, \$6,000,000 for 1948, \$9,000,000 for 1949, \$12,000,000 for 1950, \$15,000,000 for 1951, and unlimited authorizations thereafter; permits part of this work to be done through contracts with private agencies. (3) Cooperative research with the State experiment stations and other agencies: \$1,500,000 for 1947, \$3,000,000 for 1948, \$4,500,000 for 1949, \$6,000,000 for 1950, and unlimited authorizations thereafter. (4) Authorization to the Department for marketing research and services, with permission to work through the States: \$2,500,000 for 1947, \$5,000,000 for 1948, \$10,000,000 for 1949, \$15,000,000 for 1950, \$20,000,000 for 1951, and unlimited authorizations thereafter.

INDEX AND SUMMARY OF HISTORY OF H. R. 6932

May 24, 1946	S. 2248 introduced by Senator Bankhead and referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. (Similar bill).
	H. R. 6548 introduced by Rep. Flannagan and referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
June 6, 1946	H. R. 6692 introduced by Rep. Hope and referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
June 13, 1946	Hearings: House, H. R. 6548 and H. R. 6692.
June 22, 1946	H. R. 6932 introduced by Rep. Flannagan and referred to the House Committee on Agriculture. Print of the bill as introduced.
July 8, 1946	House Committee reported H. R. 6932 with amendments. House Report 2458. Print of the bill as reported. Tabulation showing distribution by States of full stated amounts authorized in H. R. 6932.
July 15, 1946	Debated in House and passed as reported.
July 16, 1946	Referred to Senate Committee on Agriculture and Forestry. Print of the bill as referred.
July 26, 1946	Senate Committee reported H. R. 6932 with amendments. Print of the bill with the Senate amendments.
July 29, 1946	Debated in Senate and passed with amendments.
July 30, 1946	House concurred in Senate amendments.
August 14, 1946	Approved. Public Law 733. Statement by the President in approving H. R. 6932.

National Advisory
Committee
(11 members)

Administrator, Research
and Marketing Act

Utilization Committee

Chairmen of General Committees
Chairmen of Functional Committees
Human Nutritionists
Public Representatives

General Committees

1. Animal Products
2. Fruit, Vegetable & Edible Nuts
3. Field Crops
4. Fibers
5. Forest Products
6. Fats and Oils

Functional Committees

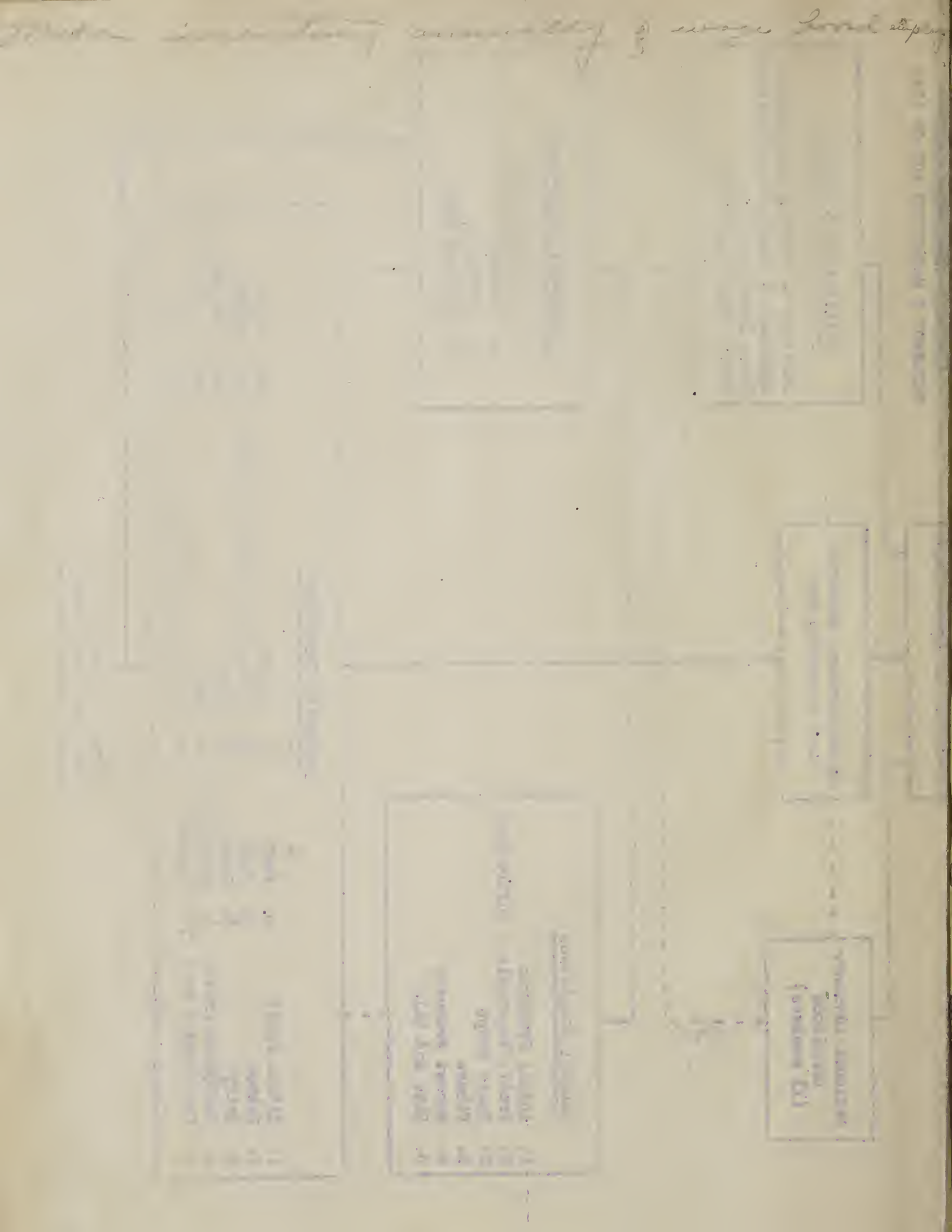
1. Transportation
2. Storage
3. Packaging
4. Foreign Trade

Commodity Committees

- | | | | |
|---------------------|--------------|----------------------------------|---------------|
| 1. Citrus Fruit | 6. Feed | 11. Potato | 16. Sugar |
| 2. Cotton | 7. Fish | 12. Poultry and Poultry Products | 17. Tobacco |
| 3. Dairy | 8. Grain | 13. Rice | 18. Tree Nuts |
| 4. Deciduous Fruit | 9. Livestock | 14. Seeds | 19. Vegetable |
| 5. Dry Beans & Peas | 10. Peanut | 15. Soybeans and Flaxseed | 20. Wool |

Technical Committees

Order inventory annually; average level supply



79TH CONGRESS
2^D SESSION

S. 2248

IN THE SENATE OF THE UNITED STATES

MAY 24 (legislative day, MARCH 5), 1946

Mr. BANKHEAD introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To provide for further research into basic laws and principles relating to agriculture.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title I of the Act entitled "An Act to provide for
4 research into basic laws and principles relating to agricul-
5 ture and to provide for the further development of co-
6 operative agricultural extension work and the more complete
7 endowment and support of land-grant colleges", approved
8 June 29, 1935 (the Bankhead-Jones Act), is amended
9 as follows:

10 (1) By substituting for section 1, title I, the following
11 section:

1 “SECTION 1. It is hereby declared to be the policy of the
2 Congress to promote the efficient production and utilization
3 of products of the soil as essential to the health and wel-
4 fare of our people and to promote a sound and prosperous
5 agriculture and rural life as indispensable to the maintenance
6 of full employment and national prosperity. It is also the
7 intent of Congress to assure agriculture a position in research
8 equal to that of industry which will aid in maintaining an
9 equitable balance between agriculture and other sections of
10 our economy. For the attainment of these objectives, the
11 Secretary of Agriculture is authorized and directed to con-
12 duct and to stimulate research into the laws and principles
13 underlying the basic problems of agriculture in its broadest
14 aspects, including but not limited to: Research relating to
15 the improvement of the quality of, and the development of
16 new and improved methods of the production, marketing,
17 distribution, processing, and utilization of plant and animal
18 commodities at all stages from the original producer through
19 to the ultimate consumer; research directed towards im-
20 provement of the operation of the marketing system to
21 eliminate waste and inefficiency and thereby to reduce the
22 relative cost to the consumer; research into the problems of
23 human nutrition and the nutritive value of agricultural
24 commodities, with particular reference to their content of
25 vitamins, minerals, amino acids, and all other constituents

1 that may be found necessary for the health of the consumer
2 and to the gains or losses in nutritive value that may take
3 place at any stage in their production, distribution, process-
4 ing, and preparation for use by the consumer; research
5 relating to the development of new and extended uses and
6 markets for agricultural commodities and byproducts as food
7 or in commerce, manufacture, or trade, both at home and
8 abroad, with particular reference to those foods and fibers
9 for which our capacity to produce exceeds or may exceed
10 existing economic demand; research relating to new and
11 more profitable uses for our resources of agricultural man-
12 power, soils, plants, animals, and equipment than those to
13 which they are now, or may hereafter be, devoted; research
14 relating to the conservation, development and use of land,
15 forest, and water resources for agricultural purposes; re-
16 search relating to the design, development, and the more
17 efficient and satisfactory use of farm buildings, farm homes,
18 farm machinery, including the application of electricity and
19 other forms of power; research relating to the diversification
20 of farm enterprises, both as to the types of commodities pro-
21 duced, and as to the types of operations performed, on the
22 individual farm; research relating to any other laws and
23 principles that may contribute to the establishment and main-
24 tenance of a permanent and effective agricultural industry
25 including such investigations as have for their purpose the

1 development and improvement of the rural home and rural
2 life, and the maximum contribution by agriculture to the wel-
3 fare of the consumer and the maintenance of maximum em-
4 ployment and national prosperity; and such other researches
5 or experiments bearing on the agricultural industry or on
6 rural homes of the United States as may in each case be
7 deemed advisable, having due regard to the varying condi-
8 tions and needs of Puerto Rico, the respective States and
9 Territories. Research authorized under this section shall be
10 in addition to research provided for under existing law (but
11 both activities shall be coordinated so far as practicable) and
12 shall be conducted by such agencies of the Department of
13 Agriculture as the Secretary may designate or establish.”

14 (2) By adding at the end thereof the following new
15 sections:

16 “SEC. 9. (a) In order to carry out further the pur-
17 poses of section 2 of this title, there is hereby authorized
18 to be appropriated in addition to all other appropriations
19 authorized by this title the following sums:

20 “(1) \$2,500,000 for the fiscal year ending June
21 30, 1947, and each subsequent fiscal year.

22 “(2) An additional \$2,500,000 for the fiscal year
23 ending June 30, 1948, and each subsequent fiscal year.

24 “(3) An additional \$5,000,000 for the fiscal year
25 ending June 30, 1949, and each subsequent fiscal year.

1 “(4) An additional \$5,000,000 for the fiscal year
2 ending June 30, 1950, and each subsequent fiscal year.

3 “(5) An additional \$5,000,000 for the fiscal year
4 ending June 30, 1951, and each subsequent fiscal year.

5 “(6) In addition to the foregoing such additional
6 funds beginning with the fiscal year ending June 30,
7 1952, and thereafter, as the Congress may deem neces-
8 sary.

9 “The moneys appropriated in pursuance of this title
10 shall also be available for the purchase and rental of land
11 and the construction of buildings necessary for conducting
12 research provided for in this title, for the equipment and
13 maintenance of such buildings, and for printing and dissemi-
14 nating the results of research. Sums appropriated in pursu-
15 ance of this title shall be in addition to, and not in sub-
16 stitution for, sums appropriated or otherwise made available
17 for agricultural experiment stations. The said agricultural
18 experiment stations are authorized to plan and conduct any
19 researches provided for under this title in cooperation with
20 each other and such other appropriate agencies and individ-
21 uals as may contribute to the solution of these problems
22 and sums appropriated in pursuance of this title shall be
23 available to meet the necessary expenses of such researches.

24 “Unexpended balances of allotments to experiment sta-
25 tions from appropriations made under this section during

1 the first five fiscal years may remain available for expendi-
2 ture by the same experiment stations at which the unex-
3 pended balances occurred for the purposes specified in sec-
4 tion 1 and for the following periods: Unexpended balances
5 of the first year's allotments, five years; of the second fiscal
6 year's allotments, four years; of the third fiscal year's
7 allotments, three years; of the fourth fiscal year's allotments,
8 two years; and of the fifth fiscal year's allotments, one year;
9 and any unexpended balances of allotments to any experi-
10 ment stations from appropriations made under this section
11 of any subsequent fiscal year shall be deducted from the
12 next succeeding annual allotments to such experiment sta-
13 tions in accordance with the provisions of section 6 of the
14 Act of Congress approved March 2, 1887 (Hatch Act).

15 “(b) Not less than 97 per centum of the sums appro-
16 priated for any fiscal year under this section shall be avail-
17 able for the purposes of section 2 to be allotted to Puerto
18 Rico, each State and Territory as follows:

19 “(1) Twenty per centum of the sums appropriated
20 for any fiscal year under this section shall be allotted
21 equally to Puerto Rico, each State and Territory: *Pro-*
22 *vided*, That no allotment and no payment under any
23 allotment shall be made for any fiscal year in excess
24 of the amount which Puerto Rico or the State or Terri-
25 tory makes available for such fiscal year out of its own

1 funds, for research and for the establishment and mainte-
2 nance of necessary facilities for the prosecution of such
3 research. If Puerto Rico or any State or Territory fails
4 to make available for such purposes for any fiscal year
5 a sum equal to the amount to which it may be entitled
6 for such year, the remainder of such amount shall be
7 withheld by the Secretary.

8 “(2) Not less than 52 per centum of the sums ap-
9 propriated for any fiscal year under this section shall be
10 allotted to Puerto Rico, each State and Territory as fol-
11 lows: One-half in an amount which bears the same ratio
12 to the total amount to be allotted as the rural population
13 of Puerto Rico or the State or Territory bears to the
14 total rural population of Puerto Rico and all the States
15 and Territories as determined by the last preceding
16 decennial census; and one-half in an amount which
17 bears the same ratio to the total amount to be allotted
18 as the farm population of Puerto Rico or the State or
19 Territory bears to the total farm population of Puerto
20 Rico and all the States and Territories as determined by
21 the last preceding decennial census: *Provided*, That no
22 allotment and no payment under any allotment shall be
23 made for any fiscal year in excess of the amount which
24 Puerto Rico, or the State or Territory makes available
25 for such fiscal year out of its own funds for research and

1 for the establishment and maintenance of necessary facil-
2 ities for the prosecution of such research. If Puerto
3 Rico or any State or Territory fails to make available
4 for such purposes for any fiscal year a sum equal to the
5 amount to which it may be entitled for such year, the
6 remainder of such amount shall be withheld by the
7 Secretary.

8 “(3) Not more than 25 per centum of the sums
9 appropriated for any fiscal year under this section shall
10 be allotted to the States for cooperative research in
11 which two or more State agricultural experiment sta-
12 tions are cooperating to solve problems that concern
13 the agriculture of more than one State. The funds avail-
14 able for such purposes shall be designated as the
15 ‘Regional research fund, Office of Experiment Sta-
16 tions’ and shall be used only for cooperative regional
17 projects recommended by a committee of eight persons
18 elected by and representing the directors of the State
19 agricultural experiment stations and approved by the
20 Secretary of Agriculture or his authorized representa-
21 tive. The necessary travel expense of said committee
22 of eight in performance of their duties may be paid
23 from allotments to regional projects under the regional
24 research fund, Office of Experiment Stations, provided
25 for under this subsection.

1 “(c) Three per centum of the sums appropriated for
2 any fiscal year under this section shall be available to the
3 Office of Experiment Stations of the United States De-
4 partment of Agriculture for administration of research under
5 this section, including participation in planning and coordi-
6 nating the cooperative regional researches.”

7 “SEC. 10. (a) In order to carry out further research
8 on utilization of agricultural commodities and products thereof
9 authorized by section 1 of this title, and in addition to all
10 other appropriations authorized by this title, there is hereby
11 authorized to be appropriated the following sums:

12 “(1) \$3,000,000 for the fiscal year ending June
13 30, 1947, and each subsequent fiscal year.

14 “(2) An additional \$3,000,000 for the fiscal year
15 ending June 30, 1948, and each subsequent fiscal year.

16 “(3) An additional \$3,000,000 for the fiscal year
17 ending June 30, 1949, and each subsequent fiscal year.

18 “(4) An additional \$3,000,000 for the fiscal year
19 ending June 30, 1950, and each subsequent fiscal year.

20 “(5) An additional \$3,000,000 for the fiscal year
21 ending June 30, 1951, and each subsequent fiscal year.

22 “(6) In addition to the foregoing, such additional
23 funds beginning with the fiscal year ending June 30,
24 1952, and thereafter, as the Congress may deem neces-
25 sary.

1 “The Secretary, in accordance with such regulations as
2 he deems necessary, may enter into contract with such public
3 or private organizations as he may find qualified to carry on
4 work under this section without regard to the provisions of
5 section 3709, Revised Statutes, and with respect to such
6 contracts he may make advance progress or other payments
7 without regard to the provisions of section 3648, Revised
8 Statutes. Contracts hereunder may be made for work to
9 continue not more than four years from the date of any such
10 contract. Notwithstanding the provisions of section 5 of
11 the Act of June 20, 1874, as amended (31 U. S. C. 713),
12 any unexpended balances of appropriations properly obli-
13 gated by contracting with an organization as provided in this
14 subsection may remain upon the books of the Treasury for
15 not more than five fiscal years before being carried to the
16 surplus fund and covered into the Treasury. Any contracts
17 made pursuant to this authority shall contain requirements
18 making the results or research and investigations available
19 to the public through dedication, assignment to the Govern-
20 ment, or such other means as the Secretary shall determine.

21 “The Secretary may consult existing technical commit-
22 tees of the Department or establish appropriate committees,
23 including representatives of producers, industry, and science
24 for the consideration of research proposed under section
25 10 (a).

1 “(b) In order to carry out further the purposes of
2 section 1, other than research on utilization of agricultural
3 commodities and the products thereof, and in addition to all
4 other appropriations authorized by this title, there is hereby
5 authorized to be appropriated for cooperative research with
6 the State agricultural experiment stations and such other
7 appropriate agencies as may be mutually agreeable to the
8 Department of Agriculture and the experiment stations con-
9 cerned, the following sums:

10 “(1) \$1,500,000 for the fiscal year ending June
11 30, 1947, and each subsequent fiscal year.

12 “(2) An additional \$1,500,000 for the fiscal year
13 ending June 30, 1948, and each subsequent fiscal year.

14 “(3) An additional \$1,500,000 for the fiscal year
15 ending June 30, 1949, and each subsequent fiscal year.

16 “(4) An additional \$1,500,000 for the fiscal year
17 ending June 30, 1950, and each subsequent fiscal year.

18 “(5) In addition to the foregoing such additional
19 funds beginning with the fiscal year ending June 30,
20 1951, and thereafter, as the Congress may deem neces-
21 sary.

22 “(c) The Secretary may incur necessary administra-
23 tive expenses not to exceed 3 per centum of the amount
24 appropriated in any fiscal year in carrying out this section,

1 including the specific objects of expense enumerated in sec-
2 tion 3 of this title.

3 “(d) The ‘Special research fund, Department of Ag-
4 riculture’ provided by section 4 of this title, shall be avail-
5 able solely for the purposes of section 1 of this title as
6 heretofore constituted, notwithstanding the amendments to
7 said section 1 concurrently being made.

8 “SEC. 11. In order to aid in implementing the pur-
9 poses of sections 9 and 10 of this title, the Secretary shall
10 appoint a committee consisting of two persons from each
11 of the four general national farm organizations, to be se-
12 lected from nominees submitted by these organizations. It
13 shall be the duty of this committee to consult and advise
14 with and to make recommendations to the committee of
15 eight persons created in section 9 (b) (3) of this title
16 and the Secretary or his duly authorized representative with
17 respect to the over-all research program provided for in
18 this title, and the needs for such researches as will aid in the
19 solution of agricultural problems.”

A BILL

To provide for further research into basic laws
and principles relating to agriculture.

By Mr. BANKHEAD

MAY 24 (legislative day, March 5), 1946
Read twice and referred to the Committee on
Agriculture and Forestry

79TH CONGRESS
2^D SESSION

H. R. 6548

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 1946

Mr. FLANNAGAN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for further research into basic laws and principles relating to agriculture.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title I of the Act entitled "An Act to provide for
4 research into basic laws and principles relating to agricul-
5 ture and to provide for the further development of co-
6 operative agricultural extension work and the more complete
7 endowment and support of land-grant colleges", approved
8 June 29, 1935 (the Bankhead-Jones Act), is amended
9 as follows:

10 (1) By substituting for section 1, title I, the following
11 section:

1 “SECTION 1. It is hereby declared to be the policy of the
2 Congress to promote the efficient production and utilization
3 of products of the soil as essential to the health and wel-
4 fare of our people and to promote a sound and prosperous
5 agriculture and rural life as indispensable to the maintenance
6 of full employment and national prosperity. It is also the
7 intent of Congress to assure agriculture a position in research
8 equal to that of industry which will aid in maintaining an
9 equitable balance between agriculture and other sections of
10 our economy. For the attainment of these objectives, the
11 Secretary of Agriculture is authorized and directed to con-
12 duct and to stimulate research into the laws and principles
13 underlying the basic problems of agriculture in its broadest
14 aspects, including but not limited to: Research relating to
15 the improvement of the quality of, and the development of
16 new and improved methods of the production, marketing,
17 distribution, processing, and utilization of plant and animal
18 commodities at all stages from the original producer through
19 to the ultimate consumer; research directed towards im-
20 provement of the operation of the marketing system to
21 eliminate waste and inefficiency and thereby to reduce the
22 relative cost to the consumer; research into the problems of
23 human nutrition and the nutritive value of agricultural
24 commodities, with particular reference to their content of
25 vitamins, minerals, amino acids, and all other constituents

1 that may be found necessary for the health of the consumer
2 and to the gains or losses in nutritive value that may take
3 place at any stage in their production, distribution, process-
4 ing, and preparation for use by the consumer; research
5 relating to the development of new and extended uses and
6 markets for agricultural commodities and byproducts as food
7 or in commerce, manufacture, or trade, both at home and
8 abroad, with particular reference to those foods and fibers
9 for which our capacity to produce exceeds or may exceed
10 existing economic demand; research relating to new and
11 more profitable uses for our resources of agricultural man-
12 power, soils, plants, animals, and equipment than those to
13 which they are now, or may hereafter be, devoted; research
14 relating to the conservation, development and use of land,
15 forest, and water resources for agricultural purposes; re-
16 search relating to the design, development, and the more
17 efficient and satisfactory use of farm buildings, farm homes,
18 farm machinery, including the application of electricity and
19 other forms of power; research relating to the diversification
20 of farm enterprises, both as to the types of commodities pro-
21 duced, and as to the types of operations performed, on the
22 individual farm; research relating to any other laws and
23 principles that may contribute to the establishment and main-
24 tenance of a permanent and effective agricultural industry
25 including such investigations as have for their purpose the

1 development and improvement of the rural home and rural
2 life, and the maximum contribution by agriculture to the wel-
3 fare of the consumer and the maintenance of maximum em-
4 ployment and national prosperity; and such other researches
5 or experiments bearing on the agricultural industry or on
6 rural homes of the United States as may in each case be
7 deemed advisable, having due regard to the varying condi-
8 tions and needs of Puerto Rico, the respective States and
9 Territories. Research authorized under this section shall be
10 in addition to research provided for under existing law (but
11 both activities shall be coordinated so far as practicable) and
12 shall be conducted by such agencies of the Department of
13 Agriculture as the Secretary may designate or establish."

14 (2) By adding at the end thereof the following new
15 sections:

16 "SEC. 9. (a) In order to carry out further the pur-
17 poses of section 2 of this title, there is hereby authorized
18 to be appropriated in addition to all other appropriations
19 authorized by this title the following sums:

20 "(1) \$2,500,000 for the fiscal year ending June
21 30, 1947, and each subsequent fiscal year.

22 "(2) An additional \$2,500,000 for the fiscal year
23 ending June 30, 1948, and each subsequent fiscal year.

24 "(3) An additional \$5,000,000 for the fiscal year
25 ending June 30, 1949, and each subsequent fiscal year.

1 “(4) An additional \$5,000,000 for the fiscal year
2 ending June 30, 1950, and each subsequent fiscal year.

3 “(5) An additional \$5,000,000 for the fiscal year
4 ending June 30, 1951, and each subsequent fiscal year.

5 “(6) In addition to the foregoing such additional
6 funds beginning with the fiscal year ending June 30,
7 1952, and thereafter, as the Congress may deem neces-
8 sary.

9 “The moneys appropriated in pursuance of this title
10 shall also be available for the purchase and rental of land
11 and the construction of buildings necessary for conducting
12 research provided for in this title, for the equipment and
13 maintenance of such buildings, and for printing and dissemi-
14 nating the results of research. Sums appropriated in pursu-
15 ance of this title shall be in addition to, and not in sub-
16 stitution for, sums appropriated or otherwise made available
17 for agricultural experiment stations. The said agricultural
18 experiment stations are authorized to plan and conduct any
19 researches provided for under this title in cooperation with
20 each other and such other appropriate agencies and individ-
21 uals as may contribute to the solution of these problems
22 and sums appropriated in pursuance of this title shall be
23 available to meet the necessary expenses of such researches.

24 “Unexpended balances of allotments to experiment sta-
25 tions from appropriations made under this section during

1 the first five fiscal years may remain available for expendi-
2 ture by the same experiment stations at which the unex-
3 pended balances occurred for the purposes specified in sec-
4 tion 1 and for the following periods: Unexpended balances
5 of the first year's allotments, five years; of the second fiscal
6 year's allotments, four years; of the third fiscal year's
7 allotments, three years; of the fourth fiscal year's allotments,
8 two years; and of the fifth fiscal year's allotments, one year;
9 and any unexpended balances of allotments to any experi-
10 ment stations from appropriations made under this section
11 of any subsequent fiscal year shall be deducted from the
12 next succeeding annual allotments to such experiment sta-
13 tions in accordance with the provisions of section 6 of the
14 Act of Congress approved March 2, 1887 (Hatch Act).

15 “(b) Not less than 97 per centum of the sums appro-
16 priated for any fiscal year under this section shall be avail-
17 able for the purposes of section 2 to be allotted to Puerto
18 Rico, each State and Territory as follows:

19 “(1) Twenty per centum of the sums appropriated
20 for any fiscal year under this section shall be allotted
21 equally to Puerto Rico, each State and Territory: *Pro-*
22 *vided*, That no allotment and no payment under any
23 allotment shall be made for any fiscal year in excess
24 of the amount which Puerto Rico or the State or Terri-
25 tory makes available for such fiscal year out of its own

1 funds, for research and for the establishment and mainte-
2 nance of necessary facilities for the prosecution of such
3 research. If Puerto Rico or any State or Territory fails
4 to make available for such purposes for any fiscal year
5 a sum equal to the amount to which it may be entitled
6 for such year, the remainder of such amount shall be
7 withheld by the Secretary.

8 “(2) Not less than 52 per centum of the sums ap-
9 propriated for any fiscal year under this section shall be
10 allotted to Puerto Rico, each State and Territory as fol-
11 lows: One-half in an amount which bears the same ratio
12 to the total amount to be allotted as the rural population
13 of Puerto Rico or the State or Territory bears to the
14 total rural population of Puerto Rico and all the States
15 and Territories as determined by the last preceding
16 decennial census; and one-half in an amount which
17 bears the same ratio to the total amount to be allotted
18 as the farm population of Puerto Rico or the State or
19 Territory bears to the total farm population of Puerto
20 Rico and all the States and Territories as determined by
21 the last preceding decennial census: *Provided*, That no
22 allotment and no payment under any allotment shall be
23 made for any fiscal year in excess of the amount which
24 Puerto Rico, or the State or Territory makes available
25 for such fiscal year out of its own funds for research and

1 for the establishment and maintenance of necessary facil-
2 ities for the prosecution of such research. If Puerto
3 Rico or any State or Territory fails to make available
4 for such purposes for any fiscal year a sum equal to the
5 amount to which it may be entitled for such year, the
6 remainder of such amount shall be withheld by the
7 Secretary.

8 “(3) Not more than 25 per centum of the sums
9 appropriated for any fiscal year under this section shall
10 be allotted to the States for cooperative research in
11 which two or more State agricultural experiment sta-
12 tions are cooperating to solve problems that concern
13 the agriculture of more than one State. The funds avail-
14 able for such purposes shall be designated as the
15 ‘Regional research fund, Office of Experiment Sta-
16 tions’ and shall be used only for cooperative regional
17 projects recommended by a committee of eight persons
18 elected by and representing the directors of the State
19 agricultural experiment stations and approved by the
20 Secretary of Agriculture or his authorized representa-
21 tive. The necessary travel expense of said committee
22 of eight in performance of their duties may be paid
23 from allotments to regional projects under the regional
24 research fund, Office of Experiment Stations, provided
25 for under this subsection.

1 “(c) Three per centum of the sums appropriated for
2 any fiscal year under this section shall be available to the
3 Office of Experiment Stations of the United States De-
4 partment of Agriculture for administration of research under
5 this section, including participation in planning and coordi-
6 nating the cooperative regional researches.”

7 “SEC. 10. (a) In order to carry out further research
8 on utilization of agricultural commodities and products thereof
9 authorized by section 1 of this title, and in addition to all
10 other appropriations authorized by this title, there is hereby
11 authorized to be appropriated the following sums:

12 “(1) \$3,000,000 for the fiscal year ending June
13 30, 1947, and each subsequent fiscal year.

14 “(2) An additional \$3,000,000 for the fiscal year
15 ending June 30, 1948, and each subsequent fiscal year.

16 “(3) An additional \$3,000,000 for the fiscal year
17 ending June 30, 1949, and each subsequent fiscal year.

18 “(4) An additional \$3,000,000 for the fiscal year
19 ending June 30, 1950, and each subsequent fiscal year.

20 “(5) An additional \$3,000,000 for the fiscal year
21 ending June 30, 1951, and each subsequent fiscal year.

22 “(6) In addition to the foregoing, such additional
23 funds beginning with the fiscal year ending June 30,
24 1952, and thereafter, as the Congress may deem neces-
25 sary.

1 “The Secretary, in accordance with such regulations as
2 he deems necessary, may enter into contract with such public
3 or private organizations as he may find qualified to carry on
4 work under this section without regard to the provisions of
5 section 3709, Revised Statutes, and with respect to such
6 contracts he may make advance progress or other payments
7 without regard to the provisions of section 3648, Revised
8 Statutes. Contracts hereunder may be made for work to
9 continue not more than four years from the date of any such
10 contract. Notwithstanding the provisions of section 5 of
11 the Act of June 20, 1874, as amended (31 U. S. C. 713),
12 any unexpended balances of appropriations properly obli-
13 gated by contracting with an organization as provided in this
14 subsection may remain upon the books of the Treasury for
15 not more than five fiscal years before being carried to the
16 surplus fund and covered into the Treasury. Any contracts
17 made pursuant to this authority shall contain requirements
18 making the results or research and investigations available
19 to the public through dedication, assignment to the Govern-
20 ment, or such other means as the Secretary shall determine.

21 “The Secretary may consult existing technical commit-
22 tees of the Department or establish appropriate committees,
23 including representatives of producers, industry, and science
24 for the consideration of research proposed under section
25 10 (a).

“(b) In order to carry out further the purposes of section 1, other than research on utilization of agricultural commodities and the products thereof, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated for cooperative research with the State agricultural experiment stations and such other appropriate agencies as may be mutually agreeable to the Department of Agriculture and the experiment stations concerned, the following sums:

“(1) \$1,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

“(2) An additional \$1,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

“(3) An additional \$1,500,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

“(4) An additional \$1,500,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

“(5) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1951, and thereafter, as the Congress may deem necessary.

“(c) The Secretary may incur necessary administrative expenses not to exceed 3 per centum of the amount appropriated in any fiscal year in carrying out this section,

1 including the specific objects of expense enumerated in sec-
2 tion 3 of this title.

3 “(d) The ‘Special research fund, Department of Ag-
4 riculture’ provided by section 4 of this title, shall be avail-
5 able solely for the purposes of section 1 of this title as
6 heretofore constituted, notwithstanding the amendments to
7 said section 1 concurrently being made.

8 “SEC. 11. In order to aid in implementing the pur-
9 poses of sections 9 and 10 of this title, the Secretary shall
10 appoint a committee consisting of two persons from each
11 of the four general national farm organizations, to be se-
12 lected from nominees submitted by these organizations. It
13 shall be the duty of this committee to consult and advise
14 with and to make recommendations to the committee of
15 eight persons created in section 9 (b) (3) of this title
16 and the Secretary or his duly authorized representative with
17 respect to the over-all research program provided for in
18 this title, and the needs for such researches as will aid in the
19 solution of agricultural problems.”

79TH CONGRESS
2D SESSION

H. R. 6548

A BILL

To provide for further research into basic laws
and principles relating to agriculture.

By Mr. FLANNAGAN

MAY 24, 1946

Referred to the Committee on Agriculture

79TH CONGRESS
2D SESSION

H. R. 6692

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 1946

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To improve and facilitate the marketing and distribution of agricultural products; improve nutritional standards; reduce the cost of distribution and increase consumption; and to promote the scientific development of improved methods of handling, transporting, storing, distributing, and marketing agricultural products; by establishing an Agricultural Marketing Administration to conduct all research, service, and regulatory work in the field of marketing agricultural products.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Agricultural Marketing
- 4 Act of 1946".

DECLARATION OF POLICY

1
2 SEC. 2. The Congress hereby declares that a sound, effi-
3 cient, and privately operated marketing system for distributing
4 agricultural products is essential to a prosperous agriculture
5 and is indispensable to the maintenance of full employment
6 and to the welfare, prosperity, and health of the Nation.
7 It is further declared to be the policy of Congress to promote
8 through research, study, experimentation, and through co-
9 operation among Federal and State agencies, farm organiza-
10 tions, and private industry a scientific approach to the prob-
11 lems of marketing, transportation, distribution, and utilization
12 of agricultural products similar to the scientific methods
13 which have been utilized so successfully during the past
14 eighty-four years in connection with the production of agri-
15 cultural products so that such products capable of being
16 produced in abundance may be efficiently distributed. For
17 the attainment of these objectives, there shall be established
18 and maintained within the Department of Agriculture an
19 Agricultural Marketing Administration which shall be
20 responsible for all research, service, and regulatory activi-
21 ties in the field of marketing agricultural products. Through
22 the establishment of such a marketing administration, it is
23 the intent of Congress to provide for (1) continuous research
24 to improve the marketing, handling, storage, transportation,
25 and distribution of agricultural products; (2) cooperation

1 among Federal and State agencies, farm, industry organiza-
2 tions, and others in the development and effectuation of
3 research and marketing programs to improve the distribu-
4 tion processes; (3) an integrated administration of all laws
5 enacted by Congress to aid the distribution of agricultural
6 products through research, market aids and services, and
7 regulatory activities, to the end that marketing methods and
8 facilities may be improved, that distribution costs may be
9 reduced and the price spread between the producer and
10 consumer may be narrowed, that dietary and nutritional
11 standards may be improved, that new and wider markets
12 for American agricultural products may be developed both
13 in the United States and in other countries with a view to
14 making it possible for the full production of American farms
15 to be disposed of usefully, economically, and profitably with-
16 out resort to subsidies or artificial price-support programs.

17 SEC. 3. There is hereby established in the Department
18 of Agriculture the Agricultural Marketing Administration,
19 hereinafter referred to as the Administration.

20 SEC. 4. The functions which the Administration is
21 directed and authorized to perform shall include the following:

22 (a) To conduct, assist, and foster research, investiga-
23 tion, and experimentation to determine the best methods
24 of processing, preparation for market, packaging, handling,
25 transporting, storing, distributing, marketing, and utilizing

1 agricultural products: *Provided*, That the results of such
2 research shall be made available to the public for the pur-
3 pose of expanding the use of American agricultural products
4 under such terms and upon such conditions as the Adminis-
5 trator may prescribe.

6 (b) To determine costs of marketing agricultural prod-
7 ucts in their various forms and through the various channels
8 and to foster and assist in the development and establish-
9 ment of more efficient marketing methods (including analyses
10 of methods and proposed methods), practices, and facilities,
11 for the purpose of bringing about more efficient marketing,
12 and reducing the price spread between the producer and
13 the consumer.

14 (c) To develop and improve standards of quality, con-
15 dition, quantity, grade, and packaging, and recommend
16 and demonstrate such standards in order to encourage uni-
17 formity and consistency in commercial practices.

18 (d) To conduct, assist, foster, and direct studies and
19 informational programs designed to eliminate artificial bar-
20 riers to the free movement of agricultural products.

21 (e) To foster and assist in the development of new
22 markets and new uses and in the moving of larger quantities
23 of agricultural products through the private marketing
24 system to consumers in the United States and elsewhere.

25 (f) To conduct and cooperate in consumer education

1 for the more effective utilization and greater consumption of
2 agricultural products: *Provided*, That no money appropri-
3 ated under the authority of this Act shall be used to pay
4 for newspaper or periodical advertising space or radio time
5 in carrying out the purposes of this section and section 4 (c).

6 (g) To collect and disseminate marketing information,
7 including adequate outlook information on a market-area
8 basis, for the purpose of anticipating and meeting consumer
9 requirements, aiding in the maintenance of farm income,
10 and bringing about a balance between production and
11 utilization of agricultural products.

12 (h) To inspect, certify, and identify the class, quality,
13 quantity, and condition of agricultural products when
14 shipped or received in interstate commerce, under such rules
15 and regulations as the Administrator may prescribe, includ-
16 ing payment of such fees as will be reasonable and as nearly
17 as may be to cover the cost of the service rendered, to the
18 end that agricultural products may be marketed to the
19 best advantage, that trading may be facilitated, and that
20 consumers may be able to obtain the quality product which
21 they desire.

22 (i) To determine the needs and develop or assist in the
23 development of plans for efficient facilities and methods of
24 operating such facilities for the proper assembly, transporta-

1 tion, storage, distribution, and handling of agricultural prod-
2 ucts.

3 (j) To assist in improving transportation services and
4 facilities and in obtaining equitable and reasonable transporta-
5 tion rates and services and adequate transportation facilities
6 for agricultural products and farm supplies by making com-
7 plaint or petition to the Interstate Commerce Commission,
8 the Maritime Commission, the Civil Aeronautics Board, or
9 other Federal or State transportation regulatory body with
10 respect to rates, charges, tariffs, practices, and services, or
11 by working directly with individual carriers or groups of
12 carriers.

13 (k) To collect, tabulate, and disseminate statistics on
14 marketing agricultural products, including but not restricted
15 to statistics on market supplies, storage stocks, quantity,
16 quality, and condition of such products in various positions
17 in the marketing channel, utilization of such products, and
18 shipments and unloads thereof: *Provided, however,* That this
19 does not require transfer to the Administration of the sta-
20 tistical work of estimating the production of crops and live-
21 stock or the work done in the Bureau of the Census in its
22 decennial census or in its five-year census of agriculture.

23 (l) To develop and promulgate, for the use and at the
24 request of any Federal agency or State, procurement stand-
25 ards and specifications for agricultural products, and submit

1 such standards and specifications to such agency or State for
2 use or adoption for procurement purposes.

3 (m) To conduct such other services and to perform such
4 other activities as will facilitate the marketing, distribution,
5 and utilization of agricultural products through commercial
6 channels, but the Administration shall not engage in the buy-
7 ing and selling of such products or in making loans thereon
8 for the purpose of supporting prices.

9 (n) To administer such agricultural marketing laws
10 and to furnish such agricultural marketing aids and services
11 as Congress has enacted or authorized, or which it may from
12 time to time enact or authorize, except as Congress may
13 otherwise specifically provide, including but not limited to
14 the Perishable Agricultural Commodities Act; the Produce
15 Agency Act; the Export Apple and Pear Act; the Standard
16 Container Acts of 1916 and 1928; the United States Ware-
17 house Act; the Federal Seed Act; the Insecticide Act of
18 1910; the Packers and Stockyards Act; the Naval Stores
19 Act; the Commodity Exchange Act; the twenty-eight-hour
20 law; the Meat Inspection Act; the Cotton Futures Act; the
21 Cotton Standards Act; the Act of April 7, 1941, for making
22 analyses of cotton fiber; the Act of March 3, 1927, as
23 amended, to collect and publish statistics of the grade and
24 staple length of cotton; the Grain Standards Act; the Tobacco
25 Seed and Plant Exportation Act; the Tobacco Inspection

1 Act; the Tobacco Stocks and Standards Act; the Agricul-
2 tural Marketing Agreement Act; the Wool Standards Act;
3 inspection of farm products; research activities in connection
4 with marketing of agricultural products which are now
5 authorized; activities in connection with the improvement
6 of marketing facilities, and the performance of marketing
7 functions designed to aid or stimulate the commercial dis-
8 tribution of agricultural products authorized or conducted
9 under section 32 of the Agricultural Adjustment Act; and
10 such other research, service, or regulatory functions in con-
11 nection with the marketing, transportation, storage, distribu-
12 tion, and utilization of agricultural products as are or may
13 be authorized.

14 SEC. 5. (a) The chief administrative officer of the
15 Administration shall be an Administrator, who shall be
16 responsible to the Secretary of Agriculture.

17 (b) Such other officers and employees of the Admin-
18 istration as may be necessary for the proper discharge of
19 its functions and duties shall be appointed by the Adminis-
20 trator pursuant to all civil-service laws and regulations, and
21 the compensation of such officers and employees so appointed
22 shall be fixed in accordance with the Classification Act of
23 1923, as amended: *Provided*, That the Administrator may
24 appoint and fix the compensation of any technically qualified
25 person, firm, or organization by contract or otherwise on a

1 temporary basis and for a term not to exceed six months in
2 any fiscal year to perform research, inspection, classifica-
3 tion, technical, or other special services, without regard to
4 the civil-service laws or the Classification Act of 1923, as
5 amended.

6 (c) In the conduct of any of its work, the Adminis-
7 tration may cooperate with other branches of the Govern-
8 ment, State agencies, private research organizations,
9 purchasing and consuming organizations, boards of trade,
10 chambers of commerce, other associations of business or trade
11 organizations, transportation and storage agencies and or-
12 ganizations, or other persons or corporations engaged in the
13 production, transportation, storing, marketing, and distribu-
14 tion of agricultural products whether operating in one or
15 more jurisdictions. The Administrator shall have authority
16 to enter into contracts and agreements under the terms of
17 regulations promulgated by him with States and agencies
18 of States, private firms, institutions, and individuals for the
19 purpose of conducting research and service work, making
20 and compiling reports and surveys, and carrying out other
21 functions of the Administration when in the judgment of
22 the Administrator the services or functions to be so provided
23 or performed will be no less effective and valuable to the
24 Nation and the cost thereof to the Federal Government will
25 be less than if provided or performed by the Administration.

1 Contracts hereunder may be made for work to be performed
2 within a period not more than ————— years from the
3 date of any such contract, and advance, progress, or other
4 payments may be made. The provisions of section 3648
5 (31 U. S. C., sec. 529) and section 3709 (41 U. S. C.,
6 sec. 5) of the Revised Statutes shall not be applicable to
7 contracts or agreements made under the authority of this
8 section. Any unexpended balances of appropriations obli-
9 gated by contracts as authorized by this section may, not-
10 withstanding the provisions of section 5 of the Act of June
11 20, 1874, as amended (31 U. S. C., sec. 713), remain
12 upon the books of the Treasury for not more than —————
13 fiscal years before being carried to the surplus fund and
14 covered into the Treasury. Any contract made pursuant to
15 this section shall contain requirements making the result
16 of such research and investigations available to the public
17 by such means as the Administrator shall determine.

18 (d) The Administrator shall make an annual report to
19 the Secretary of Agriculture and shall promulgate, subject
20 to the approval of the Secretary, all orders and regulations
21 necessary to the operation of the Administration and to carry
22 out the provisions of this Act.

23 SEC. 6. (a) Notwithstanding any other provision of
24 law, all functions, powers, duties, and authority of each and
25 every agency, division, bureau, service, section, or other

1 administrative unit in the Department of Agriculture or
2 elsewhere under the executive branch of the Government
3 which is primarily concerned with research, service, or regu-
4 latory activities in connection with the marketing, transporta-
5 tion, storage, distribution, or utilization of agricultural prod-
6 ucts as set forth in section 4 of this Act, or which would, if
7 continued, substantially duplicate any function authorized
8 by this Act to be performed by the Administration, are
9 hereby transferred effective ninety days after the approval of
10 this Act, together with all their documents, books of account,
11 records, assets, and liabilities of every kind and nature, their
12 personnel, and any unexpended balances of appropriations
13 subject to their use or control or made for any purpose sub-
14 ject to their administration, to the Administration and shall
15 be performed, exercised, and administered by the Administra-
16 tion in the same manner and to the same extent and effect as
17 if originally vested in the Administration, and any agency,
18 division, bureau, service, section, or other administrative unit
19 so transferred is hereby abolished. In addition to the fore-
20 going, there shall be transferred to the Administration each
21 fiscal year beginning July 1, 1946, from the funds appro-
22 priated under section 32 of Public Law Numbered 320,
23 Seventy-fourth Congress, as amended, an amount equal to
24 10 per centum of such appropriated funds. Such funds,
25 notwithstanding any other provision of section 32, may be

1 used by the Administration in the performance of research
2 and service work to improve the marketing, transportation,
3 and distribution, and to expand the uses of, agricultural prod-
4 ucts in such manner as the Administrator may deem appro-
5 priate to effectuate the declared policy of this Act. Such
6 funds transferred hereunder shall be in addition to, and not
7 in substitution for, other appropriations for the purposes or
8 the functions covered by this Act.

9 (b) Within not more than ninety days after the date
10 of approval of this Act, the President shall determine and
11 shall by Executive order declare the agencies, divisions,
12 bureaus, services, sections, and other administrative units
13 in the Department of Agriculture or elsewhere under the
14 executive branch of the Government which in his opinion
15 are primarily concerned with the functions of research,
16 service, or regulation as set forth in section 4, in the field
17 of marketing, transportation, storage, distribution, or utiliza-
18 tion of agricultural products or which would, if continued,
19 substantially duplicate any function authorized to be per-
20 formed by the Administration.

21 (c) The Administration shall assume and be subject
22 to all liabilities whether arising out of contract or otherwise
23 of any agency, division, bureau, service, section, or other
24 administrative unit transferred to the Administration. No
25 suit, action, or other proceeding lawfully commenced by

1 or against the department or agency from which such agency,
2 division, bureau, service, section, or other administrative
3 unit was transferred shall abate by reason of the enactment
4 of this Act, but the court, on motion or supplemental petition
5 filed at any time within twelve months after the date of
6 approval of this Act, showing a necessity for the survival
7 of such suit, action, or other proceeding to obtain a determina-
8 tion of the questions involved, may allow the same to be
9 maintained by or against the Secretary of Agriculture.

10 SEC. 7. In order to assist in coordinating, integrating,
11 and unifying research and service activities in connection
12 with the marketing, transportation, storage, and distribution
13 of agricultural products, and in obtaining the fullest coopera-
14 tion among Federal and State agencies, farm organizations,
15 and private industry in the development of and in effectuat-
16 ing research and service programs, the Administrator shall
17 establish a national advisory committee. The functions of
18 such advisory committee shall be to consult with the Admin-
19 istrator, to make recommendations concerning marketing,
20 transportation, storage, and distribution problems which re-
21 quire study, and to assist the Administrator in obtaining
22 the cooperation and assistance of Federal and State agencies,
23 farm organizations, and industry groups in the furtherance
24 of such research and service programs. The membership of
25 such advisory committee shall include one member each

1 for producers, distributors, and processors of each of the
2 following commodity groups: Fruits, vegetables, and nuts;
3 livestock and wool; grains, cotton, tobacco, dairy products,
4 poultry and poultry products; two members to represent
5 retail organizations. In the selection of such members due
6 consideration shall be given to recommendations of the
7 groups which such members are to represent. In addition,
8 there shall be one member to represent the National Asso-
9 ciation of Commissioners, Secretaries, and Directors of Agri-
10 culture, one member to represent the National Association
11 of Marketing Officials, one member to represent State agri-
12 cultural experiment stations, and a member to represent each
13 of the four general, national farm organizations, to be selected
14 by the groups which each is to represent. The Admin-
15 istrator of the Production and Marketing Administration,
16 the Director of the Agricultural Research Administration, the
17 Director of Extension, one representative from the Bureau
18 of Foreign and Domestic Commerce of the Department of
19 Commerce, to be selected by the Secretary of Commerce,
20 and one representative from the Interstate Commerce Com-
21 mission, to be designated by the Chairman of the Commis-
22 sion, shall be ex officio members. The chairman of the com-
23 mittee shall be the Administrator of the Agricultural Mar-
24 keting Administration. The committee shall meet at least
25 once each year at the call of the chairman.

1 SEC. 8. When used in this Act, the term "agricultural
2 products" includes agricultural, horticultural, viticultural,
3 and dairy products, livestock and poultry, bees, edible prod-
4 ucts of forestry, and any products thereof, including processed
5 and manufactured products, and any and all products raised
6 or produced on farms and any processed or manufactured
7 product thereof.

8 SEC. 9. There is authorized to be appropriated annually
9 for operation and administration of the Administration such
10 sums as may be necessary to carry out the purposes of the
11 Act.

79TH CONGRESS
2d Session

H. R. 6692

A BILL

To improve and facilitate the marketing and distribution of agricultural products; improve nutritional standards; reduce the cost of distribution and increase consumption; and to promote the scientific development of improved methods of handling, transporting, storing, distributing, and marketing agricultural products; by establishing an Agricultural Marketing Administration to conduct all research, service, and regulatory work in the field of marketing agricultural products.

By Mr. HOPE

JUNE 6, 1946

Referred to the Committee on Agriculture

Hearings filed under
July 26.

Hearings filed under
July 26.

42. RECONSTRUCTION FINANCE CORPORATION. Passed as reported S. J. Res. 156, to continue RFC (p. 8059).
43. LABOR-FEDERAL SECURITY APPROPRIATION BILL. Passed with amendments H. R. 6739, this bill (pp. 8060-70). Conferees were appointed (p. 8070).
44. BANKRUPTCY. Passed without amendment H. R. 6682, to amend Secs. 81-3, and repeal Sec. 84, of the Bankruptcy Act (p. 8070). This bill will now be sent to the President.
45. PRICE CONTROL. Sen. Wagner, N. Y., asked permission to introduce a measure to continue the price-control laws until July 20, but Sen. O'Daniel, Tex., objected; Sens. Barkley and others discussed the proposal (pp. 8070-2, 8074-5).
46. NAVAL APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6496 (pp. 8072-4).
47. FARM CREDIT. Passed without amendment S. 2280, to authorize the Federal Farm Mortgage Corporation to purchase GI loans (p. 8075).
Passed as reported H. R. 5991, the Cooley farm-credit bill, with a committee amendment substituting the language of S. 1507, the Bankhead bill (pp. 8075-6).
48. CONGRESSIONAL REORGANIZATION. Sen. Morse, Oreg., inserted editorials favoring reorganization of Congress (pp. 8078-9).
49. ADJOURNED until Mon., July 1 (p. 8082).

BILLS INTRODUCED - June 29

50. RESEARCH. H. R. 6932, by Rep. Flannagan, Va., a revision of H. R. 6548 (the Flannagan bill) and H. R. 6692 (the Hope bill). To Agriculture Committee.
51. PRICE CONTROL. H. J. Res. 371 (see above), by Rep. Spence, Ky., to continue OPA until July 20. To Banking and Currency Committee.
H. Con. Res. 159, by Rep. Schwabe, Okla., to direct the President to prohibit the exportation of not over 2% of all durable goods produced, processed, or sold under the Price Control and Stabilization Acts. To Banking and Currency Committee. (p. 8132.)
52. ATOMIC ENERGY. H. Res. 688, by Rep. Luce, Conn., for development and control of atomic energy. To Rules Committee. (p. 8132.)

ITEMS IN APPENDIX - June 29

53. FOREIGN RELIEF. Sen. Smith, N. J., inserted an address by Herbert Hoover on world famine (pp. A4011-2).
54. CONGRESSIONAL REORGANIZATION. Rep. Luce, Conn., inserted an editorial favoring reorganization of Congress (p. A4015).
Rep. Woodruff, Mich., inserted editorials favoring congressional reorganization (p. A4028).
55. CHEESE INDUSTRY. Sen. Wiley, Wis., inserted a Holiday Magazine article commending Wis. cheese (pp. A4016-7).
56. HAY. Extension of remarks of Rep. Doyle, Calif., describing the Calif. Hay

31. FARM-LABOR PROGRAM. The Agriculture Committee reported without amendment H. R. 6828, to authorize appropriations for continuation of the farm-labor supply program until June 30, 1947 (H. Rept. 2435)(p. 8131). An appropriation for this item has already been included in H. R. 6885, the third deficiency appropriation bill.
32. PERSONNEL. The Civil Service Committee reported with amendments H. R. 4718, to provide optional retirement for Government personnel who have rendered at least 25 years of service and have been separated from their employment, with a reduced annuity (H. Rept. 2443)(p. 8131).
The Claims Committee reported without amendment H. R. 4720, to provide for payment of claims of Government personnel on account of certain Comptroller General decisions regarding overtime, etc. (H. Rept. 2436)(p. 8131).
33. NAVAL APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6496 (pp. 8085-91). The Senate has not yet acted on the report.
34. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6056 (pp. 8118-25). The Senate has not yet acted on the report.
35. D. C. APPROPRIATION BILL. Further conferees were appointed on this bill, H. R. 5990 (pp. 8125-6).
36. WAR DEPARTMENT MILITARY APPROPRIATION BILL. Conferees were appointed on this bill, H. R. 6837 (p. 8117).
37. ADJOURNED until Mon., July 1 (p. 8131). The legislative program for this week, as announced by Majority Leader McCormack: Mon., F. D. Roosevelt ceremonies, OPA extension; Tues., consent and private calendars; Wed., railroad retirement; Thurs., no business; Fri. and Sat., British loan (p. 8127).

SENATE - June 29

38. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Passed with amendments this bill, H. R. 6777 (pp. 8053-5).
Agreed to an amendment by Sen. Taft, Ohio, stating that the types of programs set forth in the 1947 budget of the Commodity Credit Corporation, within the funds available to it, are approved, but the subsidy program shall be subject to the provisions of H. R. 6042, the price-control bill which was vetoed (p. 8053).
Sen. George, Ga., spoke against the provision for a \$3,000,000 TVA fertilizer plant at Mobile, and Sen. McKellar, Tenn., defended the item (pp. 8053-4).
Sens. McKellar, Hayden, Russell, Overton, Thomas of Okla., Brooks, Bridges and Gurney were appointed Senate conferees (p. 8055).
39. NATIONAL SCIENCE FOUNDATION. Debated S. 1850, to promote the progress of science and the useful arts, to secure the national defense, and to advance the national health and welfare (pp. 8055-8).
40. HOUSING. Sen. Knowland, Calif., deplored the shortage of material to carry on the veterans' housing program (pp. 8058-9).
41. FARM CREDIT. Passed as reported H. R. 6477, to continue Land Bank Commissioner loans, etc. (p. 8059).

H. R. 6932

JUNE 29, 1946

A BILL

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

4 Title I of the Act entitled "An Act to provide for
5 research into basic laws and principles relating to agri-
6 culture and to provide for the further development of cooper-
7 ative agricultural extension work and the more complete
8 endowment and support of land-grant colleges", approved
9 June 29, 1935 (the Bankhead-Jones Act), is amended as
0 follows:

1 (1) By substituting for section 1, title I, the following
2 section:

3 “SECTION 1. It is hereby declared to be the policy of the
4 Congress to promote the efficient production and utilization
5 of products of the soil as essential to the health and wel-
6 fare of our people and to promote a sound and prosperous
7 agriculture and rural life as indispensable to the maintenance
8 of full employment and national prosperity. It is also the
9 intent of Congress to assure agriculture a position in research
10 equal to that of industry which will aid in maintaining an
11 equitable balance between agriculture and other sections of
12 our economy. For the attainment of these objectives, the
13 Secretary of Agriculture is authorized and directed to con-
14 duct and to stimulate research into the laws and principles
15 underlying the basic problems of agriculture in its broadest
16 aspects, including but not limited to: Research relating to
17 the improvement of the quality of, and the development of
18 new and improved methods of the production, marketing,
19 distribution, processing, and utilization of plant and animal
20 commodities at all stages from the original producer through
21 to the ultimate consumer; research into the problems of
22 human nutrition and the nutritive value of agricultural
23 commodities, with particular reference to their content of
24 vitamins, minerals, amino and fatty acids, and all other con-
25 stituents that may be found necessary for the health of the

1 consumer and to the gains or losses in nutritive value that
2 may take place at any stage in their production, distribution,
3 processing, and preparation for use by the consumer; research
4 relating to the development of present, new, and extended
5 uses and markets for agricultural commodities and byproducts
6 as food or in commerce, manufacture, or trade, both at home
7 and abroad, with particular reference to those foods and fibers
8 for which our capacity to produce exceeds or may exceed
9 existing economic demand; research to encourage the dis-
10 covery, introduction, and breeding of new and useful agri-
11 cultural crops, plants, and animals, both foreign and native,
12 particularly for those crops and plants which may be adapted
13 to utilization in chemical and manufacturing industries; re-
14 search relating to new and more profitable uses for our
15 resources of agricultural manpower, soils, plants, animals,
16 and equipment than those to which they are now, or may
17 hereafter be, devoted; research relating to the conservation,
18 development, and use of land, forest, and water resources for
19 agricultural purposes; research relating to the design, develop-
20 ment, and the more efficient and satisfactory use of farm
21 buildings, farm homes, farm machinery, including the appli-
22 cation of electricity and other forms of power; research re-
23 lating to the diversification of farm enterprises, both as to
24 the type of commodities produced, and as to the types of
25 operations performed, on the individual farm; research re-

1 lating to any other laws and principles that may contribute
2 to the establishment and maintenance of a permanent and
3 effective agricultural industry including such investigations
4 as have for their purpose the development and improvement
5 of the rural home and rural life, and the maximum contribu-
6 tion by agriculture to the welfare of the consumer and the
7 maintenance of maximum employment and national pros-
8 perity; and such other researches or experiments bearing on
9 the agricultural industry or on rural homes of the United
10 States as may in each case be deemed advisable, having
11 due regard to the varying conditions and needs of Puerto
12 Rico, the respective States, and Territories. In effectuating
13 the purposes of this section, maximum use shall be made
14 of existing research facilities owned or controlled by the
15 Federal Government or by State agricultural experiment
16 stations and of the facilities of the Federal and State exten-
17 sion services. Research authorized under this section shall
18 be in addition to research provided for under existing law
19 (but both activities shall be coordinated so far as practicable)
20 and shall be conducted by such agencies of the Department
21 of Agriculture as the Secretary may designate or establish.”

22 (2) By adding at the end thereof the following new
23 sections:

24 “SEC. 9. (a) In order to carry out further the purposes
25 of section 2 of this title, there is hereby authorized to be

1 appropriated in addition to all other appropriations authorized
2 by this title the following sums:

3 “(1) \$2,500,000 for the fiscal year ending June
4 30, 1947, and each subsequent fiscal year.

5 “(2) An additional \$2,500,000 for the fiscal
6 year ending June 30, 1948, and each subsequent fiscal
7 year.

8 “(3) An additional \$5,000,000 for the fiscal year
9 ending June 30, 1949, and each subsequent fiscal year.

10 “(4) An additional \$5,000,000 for the fiscal year
11 ending June 30, 1950, and each subsequent fiscal year.

12 “(5) An additional \$5,000,000 for the fiscal year
13 ending June 30, 1951, and each subsequent fiscal year.

14 “(6) In addition to the foregoing such additional
15 funds beginning with the fiscal year ending June 30,
16 1952, and thereafter, as the Congress may deem neces-
17 sary.

18 “The moneys appropriated in pursuance of this title
19 shall also be available for the purchase and rental of land
20 and the construction or acquisition of buildings necessary for
21 conducting research provided for in this title, for the equip-
22 ment and maintenance of such buildings, and for printing and
23 disseminating the results of research. Sums appropriated
24 in pursuance of this title shall be in addition to, and not in
25 substitution for, sums appropriated or otherwise made avail-

1 able for agricultural experiment stations. The said agricul-
2 tural experiment stations are authorized to plan and conduct
3 any research provided for under this title in cooperation
4 with each other and such other appropriate agencies and
5 individuals as may contribute to the solution of these problems
6 and sums appropriated in pursuance of this title shall be
7 available to meet the necessary expenses of such research.

8 “Unexpended balances of allotments to experiment sta-
9 tions from appropriations made under this section during
10 the first five fiscal years may remain available for expendi-
11 ture by the same experiment stations at which the unex-
12 pended balances occurred for the purposes specified in sec-
13 tion 1 and for the following periods: Unexpended balances
14 of the first year’s allotments, five years; of the second fiscal
15 year’s allotments, four years; of the third fiscal year’s
16 allotments, three years; of the fourth fiscal year’s allotments,
17 two years; and of the fifth fiscal year’s allotments, one year;
18 and any unexpended balances of allotments to any experi-
19 ment stations from appropriations made under this section
20 of any subsequent fiscal year shall be deducted from the
21 next succeeding annual allotments to such experiment sta-
22 tions.

23 “(b) Not less than 97 per centum of the sums appro-
24 priated for any fiscal year under this section shall be avail-

1 able for the purposes of section 2 to be allotted to Puerto
2 Rico, each State and Territory as follows:

3 “(1) Twenty per centum of the sums appropriated
4 for any fiscal year under this section shall be allotted
5 equally to Puerto Rico, each State and Territory: *Pro-*
6 *vided*, That no allotment and no payment under any
7 allotment shall be made for any fiscal year in excess
8 of the amount which Puerto Rico or the State or Terri-
9 tory makes available for such fiscal year out of its own
10 funds, for research and for the establishment and mainte-
11 nance of necessary facilities for the prosecution of such
12 research. If Puerto Rico or any State or Territory fails
13 to make available for such purposes for any fiscal year
14 a sum equal to the amount to which it may be entitled
15 for such year, the remainder of such amount shall be
16 withheld by the Secretary.

17 “(2) Not less than 52 per centum of the sums ap-
18 propriated for any fiscal year under this section shall be
19 allotted to Puerto Rico, each State and Territory as fol-
20 lows: One-half in an amount which bears the same ratio
21 to the total amount to be allotted as the rural population
22 of Puerto Rico or the State or Territory bears to the
23 total rural population of Puerto Rico and all the States
24 and Territories as determined by the last preceding

1 decennial census; and one-half in an amount which
2 bears the same ratio to the total amount to be allotted
3 as the farm population of Puerto Rico or the State or
4 Territory bears to the total farm population of Puerto
5 Rico and all the States and Territories as determined by
6 the last preceding decennial census: *Provided*, That no
7 allotment and no payment under any allotment shall be
8 made for any fiscal year in excess of the amount which
9 Puerto Rico, or the State or Territory makes available
10 for such fiscal year out of its own funds for research and
11 for the establishment and maintenance of necessary facil-
12 ities for the prosecution of such research. If Puerto
13 Rico or any State or Territory fails to make available
14 for such purposes for any fiscal year a sum equal to the
15 amount to which it may be entitled for such year, the
16 remainder of such amount shall be withheld by the
17 Secretary.

18 “(3) Not more than 25 per centum of the sums
19 appropriated for any fiscal year under this section shall
20 be allotted to the States for cooperative research in
21 which two or more State agricultural experiment sta-
22 tions are cooperating to solve problems that concern
23 the agriculture of more than one State. The funds avail-
24 able for such purposes shall be designated as the
25 ‘Regional research fund, Office of Experiment Sta-

tions' and shall be used only for cooperative regional projects recommended by a committee of nine persons elected by and representing the directors of the State agricultural experiment stations and approved by the Secretary of Agriculture or his authorized representative. The necessary travel expense of said committee of nine in performance of their duties may be paid from the regional research fund, Office of Experiment Stations, provided for under this subsection.

“(c) Three per centum of the sums appropriated for any fiscal year under this section shall be available to the Office of Experiment Stations of the United States Department of Agriculture for administration of research under this section, including participation in planning and coordinating the cooperative regional research.”

“SEC. 10. (a) In order to carry out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities and products thereof authorized by section 1 of this title, and to disseminate information relative thereto, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated the following sums:

1 “(1) \$3,000,000 for the fiscal year ending June
2 30, 1947, and each subsequent fiscal year.

3 “(2) An additional \$3,000,000 for the fiscal year
4 ending June 30, 1948, and each subsequent fiscal year.

5 “(3) An additional \$3,000,000 for the fiscal year
6 ending June 30, 1949, and each subsequent fiscal year.

7 “(4) An additional \$3,000,000 for the fiscal year
8 ending June 30, 1950, and each subsequent fiscal year.

9 “(5) An additional \$3,000,000 for the fiscal year
10 ending June 30, 1951, and each subsequent fiscal year.

11 “(6) In addition to the foregoing, such additional
12 funds beginning with the fiscal year ending June 30,
13 1952, and thereafter, as the Congress may deem neces-
14 sary.

15 “The Secretary of Agriculture, in accordance with such
16 regulations as he deems necessary, and when in his judg-
17 ment the work to be performed will be carried out
18 more effectively, more rapidly, or at less cost than if per-
19 formed by the Department of Agriculture, may enter into
20 contracts with such public or private organizations or
21 individuals as he may find qualified to carry on work
22 under this section without regard to the provisions of section
23 3709, Revised Statutes, and with respect to such con-
24 tracts he may make advance progress or other payments
25 without regard to the provisions of section 3648, Revised

1 Statutes. Contracts hereunder may be made for work to
2 continue not more than four years from the date of any such
3 contract. Notwithstanding the provisions of section 5 of
4 the Act of June 20, 1874, as amended (31 U. S. C. 713),
5 any unexpended balances of appropriations properly obli-
6 gated by contracting with an organization as provided in this
7 subsection may remain upon the books of the Treasury for
8 not more than five fiscal years before being carried to the
9 surplus fund and covered into the Treasury. Research au-
10 thorized under this subsection shall be conducted so far as
11 practicable at laboratories of the Department of Agriculture.
12 Projects conducted under contract with public and private
13 agencies shall be supplemental to and coordinated with
14 research of these laboratories. Any contracts made pursuant
15 to this authority shall contain requirements making the
16 results of research and investigations available to the public
17 through dedication, assignment to the Government, or such
18 other means as the Secretary shall determine.

19 “(b) In order to carry out further the purposes of
20 section 1, other than research on utilization of agricultural
21 commodities and the products thereof, and in addition to all
22 other appropriations authorized by this title, there is hereby
23 authorized to be appropriated for cooperative research with
24 the State agricultural experiment stations and such other
25 appropriate agencies as may be mutually agreeable to the

1 Department of Agriculture and the experiment stations con-
2 cerned, the following sums:

3 “(1) \$1,500,000 for the fiscal year ending June
4 30, 1947, and each subsequent fiscal year.

5 “(2) An additional \$1,500,000 for the fiscal year
6 ending June 30, 1948, and each subsequent fiscal year.

7 “(3) An additional \$1,500,000 for the fiscal year
8 ending June 30, 1949, and each subsequent fiscal year.

9 “(4) An additional \$1,500,000 for the fiscal year
10 ending June 30, 1950, and each subsequent fiscal year.

11 “(5) In addition to the foregoing such additional
12 funds beginning with the fiscal year ending June 30,
13 1951, and thereafter, as the Congress may deem neces-
14 sary.

15 “(c) The Secretary may incur necessary administrative
16 expenses not to exceed 3 per centum of the amount appro-
17 priated in any fiscal year in carrying out this section, in-
18 cluding the specific objects of expense enumerated in section
19 3 of this title.

20 “(d) The ‘Special research fund, Department of Agri-
21 culture’, provided by section 4 of this title, shall continue
22 to be available solely for research into laws and principles
23 underlying basic problems of agriculture in its broadest
24 aspects; research relating to the improvement of the quality
25 of, and the development of, new and improved methods of

1 production of, distribution of, and new and extended uses
2 and markets for, agricultural commodities and byproducts
3 and manufacturers thereof; and research relating to the con-
4 servation, development, and use of land and water resources
5 for agricultural purposes. Such research shall be in addi-
6 tion to research provided for under other law (but both
7 activities shall be coordinated so far as practicable) and
8 shall be conducted by such agencies of the Department of
9 Agriculture as the Secretary of Agriculture may designate
10 or establish.

11 "SEC. 11. Notwithstanding any other provision of this
12 title, (1) not less than 20 per centum of the funds authorized
13 to be appropriated under section 9 (a) shall be used by
14 State agricultural experiment stations for conducting mar-
15 keting research projects approved by the Department of
16 Agriculture, and (2) cooperative research projects provided
17 for under sections 9 (a) (3) and 10 (b) shall be carried
18 out under cooperative agreements between the Secretary
19 of Agriculture and the cooperating agencies and shall include
20 appropriate provisions for preventing duplication or over-
21 lapping of work within the State or States cooperating.
22 Should duplication or overlapping occur subsequent to
23 approval of a cooperative research project, the Secretary of
24 Agriculture is authorized and directed to withhold unex-
25 pended balances on such projects notwithstanding the prior

1 approval thereof. The Secretary of Agriculture shall in-
2 clude in his annual report to Congress a complete statement
3 of research work being performed under contracts or
4 cooperative agreements under this title, showing the names
5 of the agencies cooperating and the amounts expended
6 thereon, segregated by Federal and non-Federal funds.”

7 TITLE II

8 This title may be cited as the “Agricultural Marketing
9 Act of 1946”.

10 SEC. 202. The Congress hereby declares that a sound,
11 efficient, and privately operated system for distributing and
12 marketing agricultural products is essential to a prosperous
13 agriculture and is indispensable to the maintenance of full
14 employment and to the welfare, prosperity, and health of the
15 Nation. It is further declared to be the policy of Congress to
16 promote through research, study, experimentation, and
17 through cooperation among Federal and State agencies, farm
18 organizations, and private industry a scientific approach to
19 the problems of marketing, transportation, and distribution
20 of agricultural products similar to the scientific methods
21 which have been utilized so successfully during the past
22 eighty-four years in connection with the production of agri-
23 cultural products so that such products capable of being
24 produced in abundance may be marketed in an orderly man-
25 ner and efficiently distributed. In order to attain these objec-

1 tives, it is the intent of Congress to provide for (1)
2 continuous research to improve the marketing, handling,
3 storage, processing, transportation, and distribution of agri-
4 cultural products; (2) cooperation among Federal and
5 State agencies, producers, industry organizations, and
6 others in the development and effectuation of research
7 and marketing programs to improve the distribution
8 processes; (3) an integrated administration of all laws
9 enacted by Congress to aid the distribution of agricultural
10 products through research, market aids and services, and
11 regulatory activities, to the end that marketing methods and
12 facilities may be improved, that distribution costs may be
13 reduced and the price spread between the producer and
14 consumer may be narrowed, that dietary and nutritional
15 standards may be improved, that new and wider markets
16 for American agricultural products may be developed, both
17 in the United States and in other countries, with a view to
18 making it possible for the full production of American farms
19 to be disposed of usefully, economically, profitably, and
20 in an orderly manner. In effectuating the purposes of this
21 title, maximum use shall be made of existing research
22 facilities owned or controlled by the Federal Government
23 or by State agricultural experiment stations and of the
24 facilities of the Federal and State extension services.

1 SEC. 203. The Secretary of Agriculture is directed and
2 authorized:

3 (a) To conduct, assist, and foster research, investigation,
4 and experimentation to determine the best methods of proc-
5 essing, preparation for market, packaging, handling, trans-
6 porting, storing, distributing, and marketing agricultural prod-
7 ucts: *Provided*, That the results of such research shall be
8 made available to the public for the purpose of expanding
9 the use of American agricultural products in such manner
10 as the Secretary of Agriculture may determine.

11 (b) To determine costs of marketing agricultural prod-
12 ucts in their various forms and through the various channels
13 and to foster and assist in the development and establish-
14 ment of more efficient marketing methods (including analyses
15 of methods and proposed methods), practices, and facilities,
16 for the purpose of bringing about more efficient and orderly
17 marketing, and reducing the price spread between the
18 producer and the consumer.

19 (c) To develop and improve standards of quality, con-
20 dition, quantity, grade, and packaging, and recommend
21 and demonstrate such standards in order to encourage uni-
22 formity and consistency in commercial practices.

23 (d) To conduct, assist, foster, and direct studies and
24 informational programs designed to eliminate artificial bar-
25 riers to the free movement of agricultural products.

1 (e) To foster and assist in the development of new
2 markets and new uses and in the moving of larger quantities
3 of agricultural products through the private marketing
4 system to consumers in the United States and elsewhere.

5 (f) To conduct and cooperate in consumer education
6 for the more effective utilization and greater consumption
7 of agricultural products: *Provided*, That no money appro-
8 priated under the authority of this Act shall be used to pay
9 for newspaper or periodical advertising space or radio time
10 in carrying out the purposes of this section and section
11 203 (e).

12 (g) To collect and disseminate marketing information,
13 including adequate outlook information on a market-area
14 basis, for the purpose of anticipating and meeting consumer
15 requirements, aiding in the maintenance of farm income,
16 and bringing about a balance between production and utiliza-
17 tion of agricultural products.

18 (h) To inspect, certify, and identify the class, quality,
19 quantity, and condition of agricultural products when shipped
20 or received in interstate commerce, under such rules and
21 regulations as the Secretary of Agriculture may prescribe, in-
22 cluding assessment and collection of such fees as will be
23 reasonable and as nearly as may be to cover the cost of the
24 service rendered, to the end that agricultural products may be

1 marketed to the best advantage, that trading may be facili-
2 tated, and that consumers may be able to obtain the quality
3 product which they desire, except that no person shall be
4 required to use the service authorized by this subsection.
5 Any official certificate issued under the authority of this
6 subsection shall be received by all officers and all courts of
7 the United States as prima facie evidence of the truth of the
8 statements therein contained.

9 (i) To determine the needs and develop or assist in the
10 development of plans for efficient facilities and methods of
11 operating such facilities for the proper assembly, processing,
12 transportation, storage, distribution, and handling of agri-
13 cultural products.

14 (j) To assist in improving transportation services and
15 facilities and in obtaining equitable and reasonable transporta-
16 tion rates and services and adequate transportation facilities
17 for agricultural products and farm supplies by making com-
18 plaint or petition to the Interstate Commerce Commission,
19 the Maritime Commission, the Civil Aeronautics Board, or
20 other Federal or State transportation regulatory body with
21 respect to rates, charges, tariffs, practices, and services, or
22 by working directly with individual carriers or groups of
23 carriers.

24 (k) To collect, tabulate, and disseminate statistics on
25 marketing agricultural products, including but not restricted

1 to statistics on market supplies, storage stocks, quantity,
2 quality, and condition of such products in various positions
3 in the marketing channel, utilization of such products, and
4 shipments and unloads thereof.

5 (l) To develop and promulgate, for the use and at the
6 request of any Federal agency or State, procurement stand-
7 ards and specifications for agricultural products, and submit
8 such standards and specifications to such agency or State for
9 use or adoption for procurement purposes.

10 (m) To conduct, assist, encourage, and promote re-
11 search, investigation, and experimentation to determine the
12 most efficient and practical means, methods, and processes
13 for the handling, storing, preserving, protecting, processing,
14 and distributing of agricultural commodities to the end that
15 such commodities may be marketed in an orderly manner
16 and to the best interest of the producers thereof.

17 (n) To conduct such other research and services and
18 to perform such other activities as will facilitate the market-
19 ing, distribution, processing, and utilization of agricultural
20 products through commercial channels.

21 SEC. 204. (a) In order to conduct research and service
22 work in connection with the preparation for market, process-
23 ing, packaging, handling, storing, transporting, distributing,
24 and marketing of agricultural products as authorized by this

1 title, there is hereby authorized to be appropriated the follow-
2 ing sums:

3 (1) \$2,500,000 for the fiscal year ending June 30,
4 1947, and each subsequent fiscal year.

5 (2) An additional \$2,500,000 for the fiscal year
6 ending June 30, 1948, and each subsequent fiscal year.

7 (3) An additional \$5,000,000 for the fiscal year
8 ending June 30, 1949, and each subsequent fiscal year.

9 (4) An additional \$5,000,000 for the fiscal year
10 ending June 30, 1950, and each subsequent fiscal year.

11 (5) An additional \$5,000,000 for the fiscal year
12 ending June 30, 1951, and each subsequent fiscal year.

13 (6) In addition to the foregoing, such additional
14 funds beginning with the fiscal year ending June 30,
15 1952, and thereafter, as the Congress may deem
16 necessary.

17 Such sums appropriated in pursuance of this title shall be
18 in addition to, and not in substitution for, sums appropriated
19 or otherwise made available to the Department of Agri-
20 culture.

21 (b) The Secretary of Agriculture is authorized to make
22 available from such funds such sums as he may deem appro-
23 priate for allotment to State departments of agriculture, State
24 bureaus and departments of markets, State agricultural experi-
25 ment stations, and other appropriate State agencies for co-

1 operative research projects in marketing to effectuate the pur-
2 poses of title II of this Act: *Provided*, That no such allotment
3 and no payment under any such allotment shall be made for
4 any fiscal year to any State agency in excess of the amount
5 which such State agency makes available out of its own
6 funds for such research. The funds which State agencies
7 are required to make available in order to qualify for such
8 an allotment shall be in addition to any funds now available
9 to such agencies for marketing research. The allotments
10 authorized under this section shall be made to the agency or
11 agencies best equipped and qualified to conduct the specific
12 research project to be undertaken. Such allotments shall
13 be covered by cooperative agreements between the Secre-
14 tary of Agriculture and the cooperating agency and shall
15 include appropriate provisions for preventing duplication
16 or overlapping of work within the State or States cooperating.
17 Should duplication or overlapping occur subsequent to ap-
18 proval of a cooperative research project or allotment of
19 funds, the Secretary of Agriculture is authorized and directed
20 to withhold unexpended balances on such projects not-
21 withstanding the prior approval thereof.

22 SEC. 205. (a) In carrying out the provisions of title II
23 of this Act, the Secretary of Agriculture may cooperate
24 with other branches of the Government, State agencies,
25 private research organizations, purchasing and consuming

1 organizations, boards of trade, chambers of commerce, other
2 associations of business or trade organizations, transporta-
3 tion and storage agencies and organizations, or other persons
4 or corporations engaged in the production, transportation,
5 storing, processing, marketing, and distribution of agricultural
6 products whether operating in one or more jurisdictions. The
7 Secretary of Agriculture shall have authority to enter into
8 contracts and agreements under the terms of regulations pro-
9 mulgated by him with States and agencies of States, private
10 firms, institutions, and individuals for the purpose of conduct-
11 ing research and service work, making and compiling reports
12 and surveys, and carrying out other functions relating thereto
13 when in his judgment the services or functions to be per-
14 formed will be carried out more effectively, more rapidly, or
15 at less cost than if performed by the Department of Agri-
16 culture. Contracts hereunder may be made for work to
17 be performed within a period not more than four years from
18 the date of any such contract, and advance, progress, or other
19 payments may be made. The provisions of section 3648
20 (31 U. S. C., sec. 529) and section 3709 (41 U. S. C.,
21 sec. 5) of the Revised Statutes shall not be applicable to
22 contracts or agreements made under the authority of this
23 section. Any unexpended balances of appropriations obli-
24 gated by contracts as authorized by this section may, not-
25 withstanding the provisions of section 5 of the Act of June

1 20, 1874, as amended (31 U. S. C., sec. 713), remain
2 upon the books of the Treasury for not more than five
3 fiscal years before being carried to the surplus fund and
4 covered into the Treasury. Any contract made pursuant to
5 this section shall contain requirements making the result
6 of such research and investigations available to the public
7 by such means as the Secretary of Agriculture shall deter-
8 mine.

9 (b) The Secretary of Agriculture shall promulgate such
10 orders, rules, and regulations as he deems necessary to carry
11 out the provisions of this title. In his annual report to
12 Congress, he shall include a complete statement of research
13 work being performed under contracts or cooperative agree-
14 ments under this title, showing the names of the agencies
15 cooperating and the amounts expended thereon, segregated
16 by Federal and non-Federal funds.

17 SEC. 206. In order to facilitate administration and to
18 increase the effectiveness of the marketing research, service,
19 and regulatory work of the Department of Agriculture to
20 the fullest extent practicable, the Secretary of Agriculture
21 is authorized, notwithstanding any other provisions of law,
22 to transfer, group, coordinate, and consolidate the functions,
23 powers, duties, and authorities of each and every agency,
24 division, bureau, service, section, or other administrative
25 unit in the Department of Agriculture primarily concerned

1 with research, service, or regulatory activities in connection
2 with the marketing, transportation, storage, processing, dis-
3 tribution of, or service or regulatory activities in connection
4 with, the utilization of, agricultural products, into a single
5 administrative agency. In making such changes as may be
6 necessary to carry out effectively the purposes of this title,
7 the records, property, personnel, and funds of such agencies,
8 divisions, bureaus, services, sections, or other administrative
9 units in the Department of Agriculture affected thereby are
10 authorized to be transferred to and used by such administra-
11 tive agency to which the transfer may be made, but such
12 unexpended balances of appropriations so transferred shall
13 be used only for the purposes for which such appropriations
14 were made.

15 SEC. 207. When used in this title, the term "agricul-
16 tural products" includes agricultural, horticultural, viticul-
17 tural, and dairy products, livestock and poultry, bees, forest
18 products, and any products thereof, including processed and
19 manufactured products, and any and all products raised or
20 produced on farms and any processed or manufactured
21 product thereof.

22 SEC. 208. The Secretary of Agriculture shall have the
23 power to appoint, remove, and fix, in accordance with exist-
24 ing law, the compensation of such officers and employees,
25 and to make such expenditures as he deems necessary,

1 including expenditures for rent outside the District of
2 Columbia, travel, supplies, books, equipment, and such
3 other expenditures as may be necessary to the administra-
4 tion of this title: *Provided*, That the Secretary of Agriculture
5 may appoint and fix the compensation of any technically
6 qualified person, firm, or organization by contract or other-
7 wise on a temporary basis and for a term not to exceed
8 six months in any fiscal year to perform research, inspection,
9 classification, technical, or other special services, without
10 regard to the civil-service laws or the Classification Act of
11 1923, as amended.

12 TITLE III

13 SEC. 301. In order to aid in implementing the research
14 and service work authorized under titles I and II of this
15 Act, and to assist in obtaining the fullest cooperation among
16 Federal and State agencies, producers, farm organizations,
17 and private industry, in the development of and in effectuat-
18 ing such research and service programs, and in order to
19 secure the greatest benefit from the expenditure of funds,
20 the Secretary of Agriculture shall establish a national ad-
21 visory committee. The functions of such advisory committee
22 shall be to consult with the Secretary of Agriculture and
23 other appropriate officials of the Department of Agriculture,
24 to make recommendations relative to research and service
25 work authorized by this Act, and to assist in obtaining the

1 cooperation of producers, farm organizations, industry groups,
2 and Federal and State agencies in the furtherance of such
3 research and service programs. The membership of such
4 advisory committee shall consist of the following: One per-
5 son from each of the general national farm organizations;
6 one person from the National Association of Commissioners,
7 Secretaries, and Directors of Agriculture; one person from
8 the National Association of Marketing Officials; one per-
9 son to represent State agricultural experiment stations;
10 one person to represent State extension services, to be
11 selected by the groups which each is to represent. For each
12 of the following commodity groups: Fruits, vegetables, and
13 nuts; livestock and wool; grains; cotton; tobacco; dairy
14 products; forest products; and poultry and poultry products;
15 the Secretary shall appoint two persons to represent pro-
16 ducers, one person to represent distributors, and one person
17 to represent processors. The Secretary shall also appoint
18 two persons to represent retailers. In the selection of such
19 members, due consideration shall be given to recommenda-
20 tions of the groups to be represented, and the representatives
21 of producers shall be so selected as to afford cooperative asso-
22 ciations of producers with adequate representation. One rep-
23 resentative from the Department of Commerce, to be selected
24 by the Secretary of Commerce, and one representative from
25 the Interstate Commerce Commission, to be designated by

1 the Chairman of the Commission, and such officials of the
2 Department of Agriculture as the Secretary of Agri-
3 culture may designate shall be ex officio members.
4 The chairman of the committee shall be the Secretary
5 of Agriculture or such other official of the Department of
6 Agriculture as he shall designate. The committee shall meet
7 at least once each year at the call of the chairman or of
8 the executive committee. In order to facilitate the work of
9 such advisory committee and to increase its effectiveness, an
10 executive committee of eleven members, six of whom shall
11 be representatives of producers or their organizations, shall
12 be created by and from the membership of such advisory
13 committee. The executive committee shall meet at least
14 once each quarter and at such other times as are deemed
15 necessary. Members of such advisory or executive com-
16 mittees may not appoint alternates to serve in their stead.
17 Committee members other than the ex officio members shall
18 not be deemed to be employees of the United States and
19 are not entitled to compensation, but the Secretary of Agri-
20 culture is authorized to allow their traveling and subsistence
21 expenses necessary in connection with their attendance at
22 meetings called by him for the purposes of this section.

23 SEC. 302. In the furtherance of the research and service
24 work authorized by this Act, the Secretary of Agriculture
25 may, in addition to the national advisory committee, estab-

- 1 lish appropriate committees, including representatives of
- 2 producers, industry, government, and science, to assist in
- 3 effectuating specific research and service programs.

79TH CONGRESS
2^D Session

H. R. 6932

A BILL

To provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products.

By Mr. FLANNAGAN

JUNE 29, 1946

Referred to the Committee on Agriculture

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 9, 1946
For actions of July 8, 1946
79th-2nd, No. 132

CONTENTS

Administrative expenses.. 4	Foreign relations.....6,20	Patents.....32
Appropriations.....2,10,31	Grain shortage.....12,13	Postal service.....21
Buildings and grounds....15	Grants-in-aid..... 3	Points of order.....14
Congressional reorgan- ization.....26	Housing.....19	Price control...1,18,24,30
Dairy industry..... 2	Inflation.....25	Purchasing..... 5
Electrification.....28	Investigations..... 3	Reclamation.....28
Expenditures.....17	Livestock and meat.....24	Regional authority.....27
Fertilizers.....23	Loans, foreign.....16,29	Research..... 7
Flood control..... 8	Machinery, farm.....11	Rivers and harbors..... 9
Food supply.....23	Marketing..... 7	Veterans.....22
		Vocational rehabilitation..22

HIGHLIGHTS: Senate debated price-control measure, spending most of time on Wherry amendment to eliminate controls on livestock, poultry, eggs, and their products; Sen. Wherry quoted Secretary Anderson's testimony. Senate received appropriation estimate for inspection of materials used in process and renovated butter. House committee reported Flannagan-Hope research and marketing bill. Rep. Holmes said grain elevators are full and that he wondered how USDA can explain present situation in view of this. Rep. Rees criticized farm-machinery exports.

SENATE

1. **PRICE CONTROL.** Continued debate on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (pp. 8472-509). Debated an amendment by Sen. Wherry, Nebr., to prohibit price control on livestock, poultry, eggs, or their products; Sen. Wherry quoted testimony of Secretary Anderson on the previous bill (pp. 8483-509).
2. **APPROPRIATIONS; BUTTER INSPECTION.** Received from the President a supplemental appropriation estimate of \$18,500 to enable BDI to carry out the recent act providing for inspection of materials used in process or renovated butter (S. Doc. 235). To Appropriations Committee. (p. 8472.)
3. **FEDERAL-AID INVESTIGATION.** The Education and Labor Committee reported without amendment S. Res. 300, to provide for an investigation of Federal grants to State and local governments for welfare, education, and health programs (S. Rept. 1668)(p. 8473).
4. **ADMINISTRATIVE EXPENSES.** In reporting H. R. 6533, the Manasco point-of-order bill (see Digest 129), the Senate Committee inserted amendments to increase the limit on household-goods transfers to 7,000 pounds if uncrated or 8,750 pounds if crated, to provide for mileage allowances of 5 cents for cars and 2 cents for motorcycles whether the travel is away from official stations or not, to provide that the waiver of the bids requirement for personal services shall be applicable only if the services are of a technical and professional nature or are performed under Government supervision and paid for on a time basis, to "specify in plain terms that...mandate for advertising for bids is equally applicable whether the Government deals as a buyer or as a seller", to authorize honor awards, to make the bill (except for the station-transfer provisions)

effective upon enactment rather than on July 1, 1946, and to provide that the bill's limitation on pay of experts or consultants shall not apply to agencies not under the Classification Act.

5. VEHICLE PURCHASING. Received from the President proposed provisions increasing to \$1,300 the amount allowed for purchase of passenger vehicles and repealing the provisions limiting the purchase of such vehicles to used or surplus (June 28, S. Doc. 229). To Appropriations Committee.
6. FOREIGN AFFAIRS. Received from the President a supplemental appropriation estimate of \$339,853.60 for the International Institute of Agriculture pending its integration with FAO (July 3, S. Doc. 233). To Appropriations Committee.

HOUSE

7. RESEARCH; MARKETING. The Agriculture Committee reported with amendment H.R. 6932, the Flannagan-Hope marketing and research bill (H.Rept. 2456) (p. 8560).
8. FLOOD CONTROL. Reps. Whittington, Allen (La.), Elliott, Clason, and Wilson were appointed conferees on H.R. 6597, the omnibus flood-control bill (p. 8514). Senate conferees were appointed July 5.
9. RIVERS AND HARBORS. Received the conference report on H.R. 6407, the rivers and harbors omnibus bill (pp. 8527-8). House conferees were appointed earlier in the day (pp. 8511-2).
10. TREASURY-POST OFFICE APPROPRIATION BILL. Received the conference report on this bill, H.R. 5452 (pp. 8515-6).
11. FARM MACHINERY. Rep. Rees, Kans., criticized the export of farm machinery when there is "an acute need for tractors and all kinds of farm machinery" in the U.S. (p. 8512).
12. WHEAT SITUATION. Rep. Holmes, Mass., criticized the wheat situation, inserted a newspaper item indicating that grain elevators are full, and stated "I wonder how the Department of Agriculture can explain this away" (p. 8514).
Rep. Rogers, Mass., criticized exports of "white flour" to Japan in view of the shortage here (p. 8515).
13. GRAIN SHORTAGE. Rep. Morrow, N.H., inserted N.H. Agriculture Commissioner Felker's letter stating that grain is more plentiful since the "death of OPA" (p. 8513).
14. POINTS OF ORDER. The Public Lands Committee reported with amendments H.R. 6629, to provide basic authority for the performance of certain functions and activities of the National Park Service (H.Rept. 2459) (p. 8560).
15. BUILDINGS AND GROUNDS. The Public Buildings and Grounds Committee reported with amendments H.R. 6307 to provide for site acquisition and design of Federal buildings (H.Rept. 2460) (p. 8560). For summary of bill see Digest 129.
16. BRITISH LOAN. Began debate on S. J. Res. 138, to authorize a loan to Great Britain (pp. 8519-27, 8528-59). Agreed earlier to a resolution for the consideration of this measure.
17. EXPENDITURES. Rep. Rich, Pa., criticized Federal expenditures for the fiscal year 1946 (p. 8513).

farms. Since it is American goods they want, obviously those dollars will be spent here.

That does not mean that some country with whom Britain deals for goods that we do not supply and are not interesting in selling cannot make certain agreements with them and engage in certain trade. But in the transfer of dollar credit by Britain to some other country, obviously a credit in favor of the other country is set up and that means that America would be supplying some of Britain's customers rather than Britain directly on the basis of this credit. What I am trying to say is just this: It does not make any difference to us, considering our trade interest, whether we sell to England the goods that might be acquired under this credit or sell to one of the dominions the goods that England might enable that country to buy.

Mr. ALLEN of Louisiana. Just one further question. What assurance do we have, if any, that we will get more trade from the British Dominions, Canada, Australia, India, and other possessions?

Mr. HAYS. I may say to the gentleman that the facts are—and it was detailed to our committee—that if we do not extend this credit the chances are our trade with Britain will begin at once to diminish and this will react upon the dominions and other countries. There is no question about that. England faces a crisis. They must import to live. England today is exporting automobiles that English people need. But England, in order to get the food that the nation must have to feed her millions of people, and to secure other essential goods has placed her economy under certain rigid controls by the government.

Since the dollar credit is so limited, and since the things that Britain can sell to us are so scarce, Britain, in this present crisis in the transition from war to peace, is calling to us to help her get enough dollars to rehabilitate her economic system. Primarily that is where the credits are going. May I say that some of it may be sold indirectly, that is, transferred to some other nation, but it will come back to us. Primarily it is to rehabilitate Britain's economy and make it possible for them to continue to foster the private enterprise system in world trade, that Mr. Dewey describes; so when the importer says, "I want American machinery, the British Government can make that dollar credit available.

For the next 2 years much of this credit is going to be used for the purchase of goods that are in surplus. Britain is buying as much tobacco, for example, as they can right now. In the first quarter of this year they bought \$65,000,000 worth of tobacco. They bought in the same period \$10,000,000 worth of cotton, \$40,000,000 worth of petroleum, \$12,000,000 worth of machinery, and \$8,000,000 worth of hides and skins. The experts advise us that a million and a half bales of cotton will move directly into English channels as soon as this credit is established, and the same thing is true with other things that I might

mention, things that Britain is eager to have. The items mentioned we are glad to export, but this market cannot continue without this credit aid.

So, we will profit materially by it. The gentleman has raised a question that is in the minds of many people—Where will the money be spent? Unless it can be spent for goods in surplus and not in short supply, I would rather not see it used for a little while; in other words, right now we are fearful of anything that is inflationary. But this is only about 1 percent of our production capacity when you break it up into a 5-year period, and is not inflationary. I am glad the gentleman raised that question.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, it is about time, it seems to me, to explode the myths that are being circulated every day by antisilver propagandists in connection with the price of silver. I am not speaking about the monetary price of \$1.29 an ounce which the Government of the United States has maintained for over 150 years. I am speaking merely of the commercial price of silver in the commercial silver markets of the world.

Months ago silver was selling in Mexico, in London, and in South America at 85 cents an ounce. Months ago it was selling in Egypt and in Iraq at around \$1.15 an ounce. During most of the war it has been selling in India at above \$1 an ounce. Recently it reached \$1.50 there. Last Friday it was selling there at \$1.30; last Thursday it was selling there at \$1.33. And let us not forget, Mr. Chairman, that all these prices have been held down by the 407,000,000 ounces that we lend-leased during the war, of which 88,000,000 ounces to Great Britain and 226,000,000 to India.

Even in our own country black-market operators have paid as high as \$1.10 an ounce for months. But the best news of all came to my attention recently when I learned that the du Pont Co. of Delaware has at last seen the light and has taken delivery of a quarter million silver dollars from the Treasury, silver dollars which are to be melted down and used in the manufacture of silver nitrate for photographic films at \$1.29 an ounce.

Is it any wonder, Mr. Chairman, in the light of these prices, that the OPA ceilings of 71.11 cents for transactions in silver in this country and for imports of silver—ceilings which were set in 1942—should now have become just another dodo bird? Is it any wonder, with the silver prices that are ruling all round the world, that Mexico, Canada, and Peru and all the other silver-producing countries who are ordinarily glad to sell this metal to us should be refusing to do so now, and for many months past? Is it not about time for Congress to stop being bamboozled by these silver manufacturers and for them to take their cue from the \$1.29 price which the du Pont Co. has just set? And is it not just about time for the Treasury to stop pampering

these silver manufacturers and to resume those purchases of silver which it is directed to make under the law—purchases, by the way which it has failed to make since 1942 in possible violation of the law?

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, had come to no resolution thereon.

COMMITTEE ON LABOR

Mr. RESA. Mr. Chairman, I ask unanimous consent that a subcommittee of the Committee on Labor be permitted to sit tomorrow morning during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. WEICHEL (at the request of Mr. SMITH of Ohio) was given permission to extend his remarks in the RECORD and include a letter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 619. An act to amend the act of June 8, 1936, relating to vocational education, so as to provide for the further development of vocational education in the several States and Territories; to the Committee on Education.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5258. An act granting a renewal of patent No. 113,244, dated February 1, 1935, relating to the flag of the Church of God;

H. R. 5933. An act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations, a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes.

H. R. 5990. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes;

H. R. 6285. An act authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del.; and

H. R. 6477. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933, as amended, and section 3 of the Federal Farm Mortgage Corporation Act, as amended, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 680. An act to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 5258. An act granting a renewal of patent No. 113,244, dated February 7, 1939, relating to the flag of the Church of God;

H. R. 5933. An act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations a systems of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes;

H. R. 5990. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes;

H. R. 6285. An act authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del.; and

H. R. 6477. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933, as amended, and section 3 of the Federal Farm Mortgage Corporation Act, as amended, and for other purposes.

ANNOUNCEMENT

Mr. SPENCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, July 9, 1946, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1442. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to empower the Secretary of the Interior to grant rights-of-way for various purposes across lands of individual Indians or Indian tribes, communities, bands, or nations; to the Committee on Indian Affairs.

1443. A letter from the Chairman, United States Maritime Commission, transmitting the report of the United States Maritime Commission on the activities and transactions of the Commission under the Merchant Ship Sales Act of 1946 from its date of enactment through June 30, 1946; to the Committee on the Merchant Marine and Fisheries.

1444. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FLANNAGAN: Committee on Agriculture. H. R. 6932. A bill to provide for further research into basic laws and principles

relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products; with amendment (Rept. No. 2458). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 6629. A bill to provide basic authority for the performance of certain functions and activities of the National Park Service; with amendments (Rept. No. 2459). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 6917. A bill to provide for site acquisition and design of Federal buildings, and for other purposes; with amendments (Rept. No. 2460). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEAVER: Committee on the Judiciary. S. 141. An act to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania; with amendments (Rept. 2461). Referred to the Committee of the Whole House on the State of the Union.

Mr. LARCADE: Committee on the Territories. H. R. 3361. A bill to amend paragraph (1) of section 73 of the Hawaiian Organic Act, as amended; with amendments (Rept. No. 2462). Referred to the Committee of the Whole House on the State of the Union.

Mr. LARCADE: Committee on the Territories. H. R. 6610. A bill to waive certain restrictions of the Hawaiian Organic Act, relating to land exchanges for the acquisition of certain lands at Hilo, Hawaii; with amendment (Rept. No. 2463). Referred to the Committee of the Whole House on the State of the Union.

Mr. LARCADE: Committee on the Territories. H. R. 6918. A bill to provide emergency relief for the victims of the seismic waves which struck the Territory of Hawaii, and for other purposes; without amendment (Rept. No. 2464). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. S. 1426. An act to provide for the replanning and rebuilding of slum, blighted, and other areas of the District of Columbia and the assembly, by purchase or condemnation, of real property in such areas and the sale or lease thereof for the redevelopment of such area in accordance with said plans; and to provide for the organization of, procedure for, and the financing of such planning acquisition, and sale or lease; and for other purposes; with amendments (Rept. No. 2465). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEE:

H. R. 6967. A bill to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration; to the Committee on Foreign Affairs.

By Mr. LANHAM:

H. R. 6968. A bill to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. LANHAM (by request):

H. R. 6969. A bill to amend the act entitled "An act for the acquisition, establishment, and development of the George Washington Memorial Parkway along the Potomac from Mount Vernon and Fort Washington to the

Great Falls, and to provide for the acquisition of lands in the District of Columbia and the States of Maryland and Virginia requisite to the comprehensive park, parkway, and playground system of the National Capital," approved May 29, 1930; to the Committee on Public Buildings and Grounds.

By Mr. O'BRIEN of Michigan:

H. R. 6970. A bill to provide for an air parcel post service, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. STIGLER:

H. R. 6971. A bill to extend the benefits of vocational rehabilitation to World War II veterans who incur disabilities while receiving education or training under part VIII of Veterans Regulation No. 1 (a), as amended; to the Committee on World War Veterans' Legislation.

By Mr. VOORHIS of California:

H. R. 6972. A bill to require interstate pipe lines to operate as common carriers and to divorce their operations from shipper owners; to the Committee on Interstate and Foreign Commerce.

By Mr. O'BRIEN of Michigan:

H. Res. 699. A resolution relative to the Jewish national home in Palestine; to the Committee on Foreign Affairs.

By Mr. WASIELEWSKI:

H. Res. 700. A resolution authorizing the printing as a House document of the proceedings of the one hundred and fifty-fifth anniversary of the independence of Poland, and providing for the printing of additional copies thereof; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Fourth Revisional Parliament of the Hellenes, memorializing the people of the United States on the one hundred and seventieth anniversary of their independence; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 6973. A bill for the relief of Anthoula S. Maskas; to the Committee on Immigration and Naturalization.

H. R. 6974. A bill for the relief of Manuel DeSousa Grade; to the Committee on Immigration and Naturalization.

By Mr. CHELF:

H. R. 6975. A bill for the relief of the estate of Patrician Ann Moore, deceased; to the Committee on Claims.

By Mr. HINSHAW:

H. R. 6976. A bill for the relief of Hayato Harris Ozawa; to the Committee on Immigration and Naturalization.

By Mr. MARCANTONIO:

H. R. 6977. A bill for the relief of Ernest August Erdmann; to the Committee on Immigration and Naturalization.

By Mr. SHORT:

H. R. 6978. A bill for the relief of Daniel B. Meador; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2064. By Mr. LARCADE: Memorial of the senate of the State of Louisiana in re housing for veterans; to the Committee on Banking and Currency.

2065. By Mr. LEWIS: Petition signed by Earl Groves and 50 other citizens of the

AGRICULTURAL RESEARCH

JULY 8, 1946.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FLANNAGAN, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H. R. 6932]

The Committee on Agriculture, to whom was referred the bill (H. R. 6932) to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products, having considered the same, report thereon with a recommendation that it do pass, with the following amendments:

Page 4, line 19, add a period at the end of line 19.

Page 4, lines 20 and 21, strike out the words "and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish."

GENERAL STATEMENT

The hearings which this committee has held were based on H. R. 6548 and H. R. 6692 and committee prints thereof. As a result of the hearings these bills were amended and combined to form a clean bill, and H. R. 6932 was thereupon introduced. Title I of the clean bill (H. R. 6932) replaces H. R. 6548 and title II supersedes H. R. 6692.

TITLE I

Title I of this bill amends the act of June 29, 1935 (the Bankhead-Jones Act), which provided for research into basic laws and principles relating to agriculture, and the more complete endowment and support of land-grant colleges. The principal purposes of these amendments are to provide for a greatly augmented research program with a view of enabling agriculture to attain a position in research comparable to that of other great industries.

Title I of this bill broadens the authority of the Bankhead-Jones Act by providing for additional research on all types of farm problems, particularly those which have developed in recent years and which are anticipated in the future. It also authorizes research to encourage the discovery, introduction, and breeding of new and useful agricultural crops, plants, and animals, both foreign and native, with particular emphasis being placed on those crops and plants which may be adapted to utilization in the chemical and manufacturing industries.

The expanded research programs authorized under title I of this bill are to be effectuated in substance in the same manner as in the original act of 1935, as follows: (1) By making grants to State agricultural experiment stations (in Puerto Rico, the States, and Territories) for research on problems within State boundaries. Additional grants are authorized for research on regional problems common to two or more States, which programs are required to be approved by the Secretary of Agriculture and by the directors of State experiment stations; (2) by authorizing the Department of Agriculture to conduct further utilization research; and (3) by authorizing cooperative research projects on regional and national problems by the Department of Agriculture and State agricultural experiment stations.

The most significant difference in the means employed by title I of this bill, from that used in the act of June 29, 1935, to effectuate the research authorized, is the provision (sec. 10 (a)) which authorizes the Secretary of Agriculture, in connection with research on utilization and associated problems concerning the development and application of present, new, and extended uses of agricultural commodities and the dissemination of information relative thereto, to enter into contracts with public or private organizations or individuals, as he may find qualified to conduct the work, if he determines that it would be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. This provision will enable the Secretary of Agriculture to utilize the best facilities and personnel available for utilization research. Utilization research requires laboratories with various types of equipment and scientists with many different fields of specialization. These are available, to some extent, in the regional research and other laboratories of the Department of Agriculture and these facilities should be expanded as rapidly as possible and used to maximum capacity. However, the need for utilization research exceeds the capacity of these existing facilities and, in recognition of this fact, provision is made to augment departmental facilities by authorizing the Secretary of Agriculture to enter into contracts with public and private agencies and individuals. The authority to carry on utilization research through contracts is, however, subject to the over-all limitation that such research shall be conducted so far as practicable at laboratories of the Department of Agriculture. The authority to conduct research in connection with the application of present, new, and extended uses of agricultural products and the dissemination of information through the use of contracts with public or private organizations or individuals, will enable the Secretary of Agriculture to stimulate the rapid adoption of new uses and methods developed through research.

From the hearings on this bill it is apparent that agricultural research is lagging far behind research in other fields, and that additional research is urgently needed. This is easily demonstrated by comparing two fibers—cotton and rayon. Rayon, a product of the

(cotton is supplied)

laboratory, has rapidly been overtaking and supplanting many of the former uses of cotton. It has made such enormous strides, it now seriously threatens to supplant completely some of the major outlets for cotton. This increased use and advancement of rayon over cotton is not due solely to any inherent qualities or advantages of rayon over cotton. In fact, the converse appears to be true, namely, that cotton inherently has many advantages over rayon. Rayon's advancement and expanded use has been due primarily to research—research which developed its qualities, and adapted it to an increasing number of new uses. The same kind of research is sorely needed for agricultural products. The principal deficiencies in agricultural research in the past have not been in the quality of such research, but in the lack of its scope and of the size and number of research projects under way in relation to the myriad problems confronting agriculture. It was shown, for example, that one company manufacturing rayon has 10 times more experimental spinning and weaving equipment than does the New Orleans Regional Research Laboratory of the Department of Agriculture. The purpose is to discover ways of using rayon more advantageously in the machinery of the textile industry. It was also shown that the chemical industry as a whole spends approximately 2 percent of its gross revenues on research. An equivalent percentage of the gross revenues of the cotton farmer alone, if available for research, would amount to approximately \$26,000,000 annually. These, and many similar facts, have made it increasingly apparent that the future well-being of agriculture depends upon a greatly expanded research program.

TITLE II

The principal purposes of title II of this bill are to promote through research, study, experimentation, and through the development of cooperation among Federal and State agencies, farm organizations, and private industries, a scientific approach to the problems of marketing, transportation, and distribution of agricultural products, which has been utilized so successfully in connection with the production of agricultural products to the end that marketing methods and facilities may be improved; that distribution costs may be reduced; that the price spread between the producer and the consumer may be narrowed; that dietary and nutritional standards may be improved; that new and wider markets for American agricultural products may be developed; and that the full production of American farms may be disposed of usefully, economically, profitably, and in an orderly manner.

It is generally recognized and admitted that many of the major and most pressing problems in agriculture lie in the field of marketing and distribution. In the past, major emphasis has been placed on problems of production, and marketing problems to a large extent have been ignored. Unless intensive research is carried out to improve the processes of distributing agricultural products capable of being produced in abundance, many of the benefits and improvements developed through research in the field of production will be dissipated. Production is but half the problem. It is equally important, if agriculture and the Nation is to prosper, that there be an efficient marketing system to distribute in an economical and orderly manner that which is produced.

X In connection with this committee's investigation of the marketing of farm products, pursuant to House Resolution 54, it has been developed that there is comparatively little information available on the costs, wastes, and inefficiencies of marketing and distributing agricultural products. Such information is fundamental in any thorough study of our marketing system. Without adequate information, no accurate analysis of the deficiencies in the distribution system can be made. Such information must be compiled if attention is to be focused on the weak spots and if ways and means for improvements are to be developed. The work involved in conducting studies, analyses, surveys, and other research and experimentations to improve the efficiency of handling agricultural products from the farm to the consumer, to reduce the price spread, to improve the methods of processing, preparing for market, packaging, handling, transporting, storing, marketing, distributing, and developing new outlets for agricultural products, is a continuing process which must be carried on constantly if genuine progress is to be made.

X Under our economic system, most agricultural production is for market, and under such conditions tending to become specialized and concentrated in the most efficient producing areas. This specialization in production tends to separate production farther and farther from the consumer and to make the problems of marketing more complex. It is, therefore, more important than ever that all appropriate steps be taken to assist the privately operated system for marketing and distributing agricultural products to function more efficiently.

C Title II of this bill is designed to provide the marketing research so vitally needed, and to give to marketing problems the same type of intensive study and attention that is given to the problems of agricultural production.

E One of the significant sections of title II is section 205 (a). This section authorizes the Secretary of Agriculture, in carrying out the provisions of title II, to cooperate with other branches of the Government, State agencies, trade associations, private organizations, and individuals. It also authorizes the Secretary to enter into contracts and agreements with such agencies for the purposes of conducting marketing research or service work authorized by this title if he determines that the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. This provision, which is very similar to a provision contained in title I, will enable the Secretary of Agriculture to utilize the best facilities and personnel available in carrying out the marketing research and services authorized under title II. There are many marketing problems which cannot be solved in a laboratory or facility of the Federal Government and in many instances the only laboratory available is the distribution system itself. * Therefore, much of the information necessary for effective marketing research must be done by, or accomplished in cooperation with, industry. In recognition of this fact, provision is made whereby the Secretary of Agriculture may enter into contracts with public and private agencies and individuals. The authority to enter into such contracts or cooperative agreements are, however, subject to the limitation in the declaration of policy that in effectuating the purposes of this title maximum use is to be made of existing research facilities

owned or controlled by the Federal Government or by State agricultural experiment stations and of the facilities of the Federal and State Extension Services.

Another important provision of title II is subsection (b) of section 204. Under the provisions of this subsection the Secretary of Agriculture is authorized to make available from the funds authorized to be appropriated under section 204 such sums as he may deem appropriate for allotment to State departments of agriculture, State bureaus and departments of markets, State agricultural experiment stations and other appropriate State agencies for cooperative research projects authorized under this title. No allotments may be made under this subsection, however, unless the cooperating agency makes available from its own funds an amount equivalent to that received under an allotment. Allotments are directed to be made to the agency or agencies best equipped and qualified to conduct the specific research project to be undertaken and are required to be covered by cooperative agreements between the Secretary of Agriculture and the cooperating agency. Such agreements are to contain a provision prohibiting duplication or overlapping of work within the State or States cooperating. If duplication or overlapping occurs, authority is given to withhold unexpended balances on such projects. This section of the bill recognizes that there are frequently several State agencies engaged in marketing activities. It is designed to enable the Secretary of Agriculture to cooperate with the agency or agencies best qualified and at the same time tend to prevent unnecessary duplication of work. This bill, it is believed, will make possible the attainment of greater cooperative effort between the Federal Government and various State agencies and will provide a means of unifying their efforts in attacking major marketing problems.

Organization

One of the principal aims of title II is to facilitate administration of, and to increase the effectiveness of, the marketing work of the Department of Agriculture, and to give it the emphasis and attention that it should receive by providing for the integration of all the marketing functions of the Department, including marketing research, service, and regulatory activities into a single agency, whose primary responsibility shall be to conduct and administer programs designed to improve the marketing and distribution of agricultural products.

Testimony introduced at the hearings shows that such activities as the Department has developed to improve the private marketing system have been shifted about through a long series of departmental reorganizations, and at present the marketing research, service, and regulatory activities are spread among various bureaus, agencies, and branches of the Department. Such agencies all have numerous other duties in addition to their marketing functions. The agency in the Department of Agriculture that has a major share of the responsibilities for administering marketing services and improving distribution is also charged with the responsibility of production goals, support price activities, activities of the Commodity Credit Corporation, purchase and sale activities, and other action programs, all of which are very important and necessarily make strong demands upon the time and energies of the Administrator. In view of the great importance of the marketing and distribution problems to the welfare of

agriculture and of the Nation, and of the fact that so little effective work has been done in this field in comparison with the magnitude of the problem, this committee has reached the conclusion that research in marketing and the closely related marketing services and regulatory activities of the Department of Agriculture should be handled by an integrated administrative unit within the Department, responsible to the Secretary.

Such a unit should be staffed with qualified marketing experts and should be permitted to utilize all its energies and resources for promoting, improving, and developing a sound marketing system without its administrative officers being burdened with other complicated problems and heavy responsibilities incident to other important functions of the Department of Agriculture, such as they are at present. This is the method which has been used to achieve notable success in the field of production research. This committee is of the opinion that under such an administrative organization great progress can rapidly be made in the field of marketing. Accordingly, the bill authorizes the Secretary of Agriculture to transfer and consolidate the marketing research, service, and regulatory activities.

TITLE III

This title makes provision for the establishment of a National Advisory Committee to consult with the Secretary of Agriculture and make recommendations relative to research and service work to be performed under the authority of this bill, and to assist in obtaining the cooperation of producers, farm organizations, industry groups, and governmental bodies in the furtherance of such research and service programs. The Committee directed to be established is broadly representative of all the various segments of agriculture. The full Committee is required to meet at least once each year and provision is made for the establishment of an executive committee which is required to meet at least once each quarter. It is believed that such Advisory Committee can be of great assistance in helping in the formulation of, and in obtaining cooperation among the various segments of agriculture and industry in the furtherance of, research and service programs. Such a Committee can also be instrumental in bringing about the rapid adoption of improved methods and new uses developed through research.

ANALYSIS OF THE BILL

TITLE I

1. Section 1 of title I of the bill amends section 1 of the act of June 29, 1935 (the Bankhead-Jones Act), by broadening the scope of the research authorized therein to cover all types of farm problems, particularly those which have been developed in recent years. This includes, but is not limited to, research relating to improved methods of production; research into problems of human nutrition; research relating to the development of present new and extended uses and markets for agricultural commodities; research to encourage the discovery and introduction of new and useful agricultural crops, plants, and animals; research relating to more and profitable uses for

the resources of agriculture; research relating to conservation and development of land, forest, and water resources for agricultural purposes; research relating to design, development, and more efficient use of farm homes, buildings, machinery; and research relating to any other laws and principles that may contribute to the establishment and maintenance of a permanent and effective agricultural industry.

2. Section 2 of title I of this bill adds three new sections numbered 9, 10, and 11 to the act of June 29, 1935, the substance of which are as follows:

Section 9: This section authorizes an appropriation for allotment to Puerto Rico, the States, and Territories for use by agricultural experiment stations. The authorization provides initially for an appropriation of \$2,500,000 to be increased annually thereafter to total \$20,000,000 by the fifth year. Such sums are available for carrying out the purposes of section 1 of this title, and for the purchase and rental of land, the acquisition, equipment, and maintenance of buildings, and for the dissemination of the results of research. Twenty percent of the sums authorized under this section are made available equally to Puerto Rico, each State, and Territory. Fifty-two percent of such sums are to be allotted on a formula based on the relationship of the rural and farm population of each State, Territory, and Puerto Rico to the total population. Each State, Territory, and Puerto Rico is required to make available for research a sum equivalent to that received under the foregoing methods of allotment. Twenty-five percent of the funds authorized to be appropriated under this section are to be allotted to the States for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State. There is no requirement that these funds be matched. Three percent of the funds authorized to be appropriated are made available to the Office of Experiment Stations of the Department of Agriculture for administration.

Section 10: This section authorizes an initial appropriation for the Department of Agriculture in the amount of \$3,000,000 to be increased each year thereafter by an equivalent amount to total \$15,000,000 in 5 years. The funds are to be used in carrying out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities, and to disseminate information relative thereto. [In carrying out such functions, the Secretary of Agriculture is authorized to enter into contracts with public and private organizations and individuals when, in his judgment, the work will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture, but the research is required to be conducted so far as practicable at laboratories of the Department. (U S)

Subsection (b) of section 10 authorizes an initial appropriation of \$1,500,000 to be increased by that amount each year to total \$6,000,000 in 4 years. Such funds are to be used for cooperative research conducted by the Department of Agriculture and State agricultural experiment stations, and such other agencies as may be mutually agreeable, to effectuate the purposes of section 1, except research on utilization.

Section 11: This section earmarks 20 percent of the funds authorized to be appropriated under section 9 to Puerto Rico, the States, and Territories for research in the field of marketing. It also requires that

cooperative research authorized under sections 9 (a) (3) and 10 (b) of this title be carried out under cooperative agreements between the Secretary of Agriculture and the cooperating agencies, and that such agreements contain appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Authority is given to withhold any unexpended balances in the event that duplication occurs. This section also requires that there be included in the annual report of the Department of Agriculture a complete statement of the research work being performed under contracts or cooperative agreements, showing the names of the cooperating agencies and the amounts expended, segregated by Federal and non-Federal funds.

TITLE II

Section 202: This section declares that a sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and the welfare of the Nation. It further declares it to be the policy of Congress to promote through research, study, experimentation, and cooperation among Federal and State agencies, farm organizations, and private industry a scientific approach to the problems of marketing, transportation, and distribution of agricultural products. In effectuating the purposes of this title, it is directed that maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations, and of the facilities of the Federal and State Extension Services.

Section 203: This section authorizes such research, study, investigation, experimentation, and the rendition of such marketing services as are necessary for the development and establishment of improved and more efficient methods of handling, storing, processing, preserving, protecting, marketing, and distributing agricultural products. The various subsections of section 203 set forth in considerable detail the various types of functions authorized to effectuate the purposes of title II of this bill.

Section 204: This section authorizes an appropriation to conduct the research and service work authorized under title II of this bill. The authorization provides initially for an appropriation of \$2,500,000 to be increased annually thereafter to total \$20,000,000 in 5 years. Such sums authorized to be appropriated are in addition to, and not in substitution for, any other funds appropriated or available to the Department of Agriculture for marketing research or service activities.

Subsection (b) of this section authorizes the Secretary of Agriculture to make available such sums as he may deem appropriate for allotment to State departments of agriculture, State bureaus and departments of markets, State agricultural experiment stations, and other appropriate State agencies for cooperative research projects in marketing to effectuate the purposes of title II of this bill. No allotment may be made to any State agency in excess of the amount which such State agency makes available out of its own funds for marketing research. The funds which State agencies are required to make available in order to qualify for an allotment under this section are in addition to any funds now available to such agencies for marketing research. Allotments authorized under this section are to be made to the agency or agencies best equipped and qualified to conduct the

specific research project to be undertaken and all such allotments are required to be covered by cooperative agreements between the Secretary of Agriculture and the cooperating agency, and such agreements are required to contain appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Authority is given to withhold any unexpended balances in the event that duplication occurs.

Section 205 (a): This section authorizes the Secretary of Agriculture in carrying out the provisions of title II of this bill, to cooperate with other branches of the Government, State agencies, trade and business associations, private organizations, or other persons engaged in the production, transportation, storing, processing, marketing, and distribution of agricultural products. It also authorizes the Secretary of Agriculture to enter into contracts and agreements with States, private firms, institutions, and individuals for the purpose of conducting research and service work, making and compiling reports and surveys, and carrying out other functions relative thereto when, in his judgment, the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture.

Subsection (b) of this section requires that there be included in the annual report of the Department of Agriculture a complete statement of research work being performed under contracts or cooperative agreements under this title, showing the names of the agencies cooperating, and the amounts expended, segregated by Federal and non-Federal funds.

Section 206: This section authorizes the Secretary of Agriculture, notwithstanding any other provision of law, to transfer, group, coordinate, and consolidate the work of all divisions, bureaus, and units in the Department of Agriculture primarily concerned with research, service or regulatory activities in connection with marketing, transportation, storage, processing, and distribution of agricultural products into a single administrative agency. It is not intended, however, that this authority shall extend to, or authorize the transfer of, the functions of the Farm Credit Administration authorized under the act of July 2, 1926, as amended.

Section 207: This section defines the term "agricultural products."

Section 208: This section authorizes such expenditures as may be necessary for the administration of title II of this bill.

TITLE III

Section 301 provides for the establishment of a National Advisory Committee to assist in the formulation of research and service programs and in the furtherance of such programs.

Section 302 authorizes the Secretary of Agriculture to establish appropriate committees to assist in effectuating specific research and service programs.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in

black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

[PUBLIC LAW 182, 74TH CONG.]

TITLE I

[SECTION 1. The Secretary of Agriculture is authorized and directed to conduct research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to the improvement of the quality of, and the development of new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and byproducts and manufactures thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes. Research authorized under this section shall be in addition to research provided for under existing law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish.]

SECTION 1. It is hereby declared to be the policy of the Congress to promote the efficient production and utilization of products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agriculture and rural life as indispensable to the maintenance of full employment and national prosperity. It is also the intent of Congress to assure agriculture a position in research equal to that of industry which will aid in maintaining an equitable balance between agriculture and other sections of our economy. For the attainment of these objectives, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the laws and principles underlying the basic problems of agriculture in its broadest aspects, including but not limited to: Research relating to the improvement of the quality of, and the development of new and improved methods of the production, marketing, distribution, processing, and utilization of plant and animal commodities at all stages from the original producer through to the ultimate consumer; research into the problems of human nutrition and the nutritive value of agricultural commodities, with particular reference to their content of vitamins, minerals, amino and fatty acids, and all other constituents that may be found necessary for the health of the consumer and to the gains or losses in nutritive value that may take place at any stage in their production, distribution, processing, and preparation for use by the consumer; research relating to the development of present, new, and extended uses and markets for agricultural commodities and byproducts as food or in commerce, manufacture, or trade, both at home and abroad, with particular reference to those foods and fibers for which our capacity to produce exceeds or may exceed existing economic demand; research to encourage the discovery, introduction, and breeding of new and useful agricultural crops, plants, and animals, both foreign and native, particularly for those crops and plants which may be adapted to utilization in chemical and manufacturing industries; research relating to new and more profitable uses for our resources of agricultural manpower, soils, plants, animals, and equipment than those to which they are now, or may hereafter be, devoted; research relating to the conservation, development, and use of land, forest, and water resources for agricultural purposes; research relating to the design, development, and the more efficient and satisfactory use of farm buildings, farm homes, farm machinery, including the application of electricity and other forms of power; research relating to the diversification of farm enterprises, both as to the type of commodities produced, and as to the types of operations performed, on the individual farm; research relating to any other laws and principles that may contribute to the establishment and maintenance of a permanent and effective agricultural industry including such investigations as have for their purpose the development and improvement of the rural home and rural life, and the maximum contribution by agriculture to the welfare of the consumer and the maintenance of maximum employment and national prosperity; and such other researches or experiments bearing on the agricultural industry or on rural homes of the United States as may in each case be deemed advisable, having due regard to the varying conditions and needs of Puerto Rico, the respective States, and Territories. In effectuating the purposes of this section, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations and of the facilities of the Federal and State extension services. Research authorized under this section shall be in addition to research provided for under existing law (but both activities shall be coordinated so far as practicable).

* * * * *

SEC. 9. (a) In order to carry out further the purposes of section 2 of this title, there is hereby authorized to be appropriated in addition to all other appropriations authorized by this title the following sums:

(1) \$2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional \$2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

(3) An additional \$5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

(4) An additional \$5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) An additional \$5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

(6) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

The moneys appropriated in pursuance of this title shall also be available for the purchase and rental of land and the construction or acquisition of buildings necessary for conducting research provided for in this title, for the equipment and maintenance of such buildings, and for printing and disseminating the results of research. Sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available for agricultural experiment stations. The said agricultural experiment stations are authorized to plan and conduct any research provided for under this title in cooperation with each other and such other appropriate agencies and individuals as may contribute to the solution of these problems and sums appropriated in pursuance of this title shall be available to meet the necessary expenses of such research.

Unexpended balances of allotments to experiment stations from appropriations made under this section during the first five fiscal years may remain available for expenditure by the same experiment stations at which the unexpended balances occurred for the purposes specified in section 1 and for the following periods: Unexpended balances of the first year's allotments, five years; of the second fiscal year's allotments, four years; of the third fiscal year's allotments, three years; of the fourth fiscal year's allotments, two years; and of the fifth fiscal year's allotments, one year; and any unexpended balances of allotments to any experiment stations from appropriations made under this section of any subsequent fiscal year shall be deducted from the next succeeding annual allotments to such experiment stations.

(b) Not less than 97 per centum of the sums appropriated for any fiscal year under this section shall be available for the purposes of section 2 to be allotted to Puerto Rico, each State and Territory as follows:

(1) Twenty per centum of the sums appropriated for any fiscal year under this section shall be allotted equally to Puerto Rico, each State and Territory: Provided, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico or the State or Territory makes available for such fiscal year out of its own funds, for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

(2) Not less than 52 per centum of the sums appropriated for any fiscal year under this section shall be allotted to Puerto Rico, each State and Territory as follows: One-half in an amount which bears the same ratio to the total amount to be allotted as the rural population of Puerto Rico or the State or Territory bears to the total rural population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census; and one-half in an amount which bears the same ratio to the total amount to be allotted as the farm population of Puerto Rico or the State or Territory bears to the total farm population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census: Provided, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico, or the State or Territory, makes available for such fiscal year out of its own funds for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

(3) Not more than 25 per centum of the sums appropriated for any fiscal year under this section shall be allotted to the States for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State. The funds available for

such purposes shall be designated as the "Regional research fund, Office of Experiment Stations" and shall be used only for cooperative regional projects recommended by a committee of nine persons elected by and representing the directors of the State agricultural experiment stations and approved by the Secretary of Agriculture or his authorized representative. The necessary travel expense of said committee of nine in performance of their duties may be paid from the regional research fund, Office of Experiment Stations, provided for under this subsection.

(c) Three per centum of the sums appropriated for any fiscal year under this section shall be available to the Office of Experiment Stations of the United States Department of Agriculture for administration of research under this section, including participation in planning and coordinating the cooperative regional research.

SEC. 10. (a) In order to carry out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities and products thereof authorized by section 1 of this title, and to disseminate information relative thereto, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated the following sums:

(1) \$3,000,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional \$3,000,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

(3) An additional \$3,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

(4) An additional \$3,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) An additional \$3,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

The Secretary of Agriculture, in accordance with such regulations as he deems necessary, and when in his judgment the work to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture, may enter into contracts with such public or private organizations or individuals as he may find qualified to carry on work under this section without regard to the provisions of section 3709, Revised Statutes, and with respect to such contracts he may make advance progress or other payments without regard to the provisions of section 3648, Revised Statutes. Contracts hereunder may be made for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. Research authorized under this subsection shall be conducted so far as practicable at laboratories of the Department of Agriculture. Projects conducted under contract with public and private agencies shall be supplemental to and coordinated with research of these laboratories. Any contracts made pursuant to this authority shall contain requirements making the results of research and investigations available to the public through dedication, assignment to the Government, or such other means as the Secretary shall determine.

(b) In order to carry out further the purposes of section 1, other than research on utilization of agricultural commodities and the products thereof, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated for cooperative research with the State agricultural experiment stations and such other appropriate agencies as may be mutually agreeable to the Department of Agriculture and the experiment stations concerned, the following sums:

(1) \$1,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional \$1,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

(3) An additional \$1,500,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

(4) An additional \$1,500,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1951, and thereafter, as the Congress may deem necessary.

(c) *The Secretary may incur necessary administrative expenses not to exceed 3 per centum of the amount appropriated in any fiscal year in carrying out this section, including the specific objects of expense enumerated in section 3 of this title.*

(d) *The "Special research fund, Department of Agriculture", provided by section 4 of this title, shall continue to be available solely for research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to the improvement of the quality of, and the development of, new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and byproducts and manufactures thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes. Such research shall be in addition to research provided for under other law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary of Agriculture may designate or establish.*

SEC. 11. Notwithstanding any other provision of this title, (1) not less than 20 per centum of the funds authorized to be appropriated under section 9 (a) shall be used by State agricultural experiment stations for conducting marketing research projects approved by the Department of Agriculture, and (2) cooperative research projects provided for under sections 9 (a) (3) and 10 (b) shall be carried out under cooperative agreements between the Secretary of Agriculture and the cooperating agencies and shall include appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Should duplication or overlapping occur subsequent to approval of a cooperative research project, the Secretary of Agriculture is authorized and directed to withhold unexpended balances on such projects notwithstanding the prior approval thereof. The Secretary of Agriculture shall include in his annual report to Congress a complete statement of research work being performed under contracts or cooperative agreements under this title, showing the names of the agencies cooperating and the amounts expended thereon, segregated by Federal and non-Federal funds.

○

79TH CONGRESS
2D SESSION

[Report No. 2458]

JUNE 29, 1946

JULY 8, 1946

[Omit the part struck through]

4 Title I of the Act entitled "An Act to provide for
5 research into basic laws and principles relating to agri-
6 culture and to provide for the further development of cooper-
7 ative agricultural extension work and the more complete
8 endowment and support of land-grant colleges", approved
9 June 29, 1935 (the Bankhead-Jones Act), is amended as
0 follows:

1 (1) By substituting for section 1, title I, the following
2 section:

3 "SECTION 1. It is hereby declared to be the policy of the
4 Congress to promote the efficient production and utilization
5 of products of the soil as essential to the health and wel-
6 fare of our people and to promote a sound and prosperous
7 agriculture and rural life as indispensable to the maintenance
8 of full employment and national prosperity. It is also the
9 intent of Congress to assure agriculture a position in research
10 equal to that of industry which will aid in maintaining an
11 equitable balance between agriculture and other sections of
12 our economy. For the attainment of these objectives, the
13 Secretary of Agriculture is authorized and directed to con-
14 duct and to stimulate research into the laws and principles
15 underlying the basic problems of agriculture in its broadest
16 aspects, including but not limited to: Research relating to
17 the improvement of the quality of, and the development of
18 new and improved methods of the production, marketing,
19 distribution, processing, and utilization of plant and animal
20 commodities at all stages from the original producer through
21 to the ultimate consumer; research into the problems of
22 human nutrition and the nutritive value of agricultural
23 commodities, with particular reference to their content of
24 vitamins, minerals, amino and fatty acids, and all other con-
25 stituents that may be found necessary for the health of the

1 consumer and to the gains or losses in nutritive value that
2 may take place at any stage in their production, distribution,
3 processing, and preparation for use by the consumer; research
4 relating to the development of present, new, and extended
5 uses and markets for agricultural commodities and byproducts
6 as food or in commerce, manufacture, or trade, both at home
7 and abroad, with particular reference to those foods and fibers
8 for which our capacity to produce exceeds or may exceed
9 existing economic demand; research to encourage the dis-
10 covery, introduction, and breeding of new and useful agri-
11 cultural crops, plants, and animals, both foreign and native,
12 particularly for those crops and plants which may be adapted
13 to utilization in chemical and manufacturing industries; re-
14 search relating to new and more profitable uses for our
15 resources of agricultural manpower, soils, plants, animals,
16 and equipment than those to which they are now, or may
17 hereafter be, devoted; research relating to the conservation,
18 development, and use of land, forest, and water resources for
19 agricultural purposes; research relating to the design, develop-
20 ment, and the more efficient and satisfactory use of farm
21 buildings, farm homes, farm machinery, including the appli-
22 cation of electricity and other forms of power; research re-
23 lating to the diversification of farm enterprises, both as to
24 the type of commodities produced, and as to the types of
25 operations performed, on the individual farm; research re-

1 lating to any other laws and principles that may contribute
2 to the establishment and maintenance of a permanent and
3 effective agricultural industry including such investigations
4 as have for their purpose the development and improvement
5 of the rural home and rural life, and the maximum contribu-
6 tion by agriculture to the welfare of the consumer and the
7 maintenance of maximum employment and national pros-
8 perity; and such other researches or experiments bearing on
9 the agricultural industry or on rural homes of the United
10 States as may in each case be deemed advisable, having
11 due regard to the varying conditions and needs of Puerto
12 Rico, the respective States, and Territories. In effectuating
13 the purposes of this section, maximum use shall be made
14 of existing research facilities owned or controlled by the
15 Federal Government or by State agricultural experiment
16 stations and of the facilities of the Federal and State exten-
17 sion services. Research authorized under this section shall
18 be in addition to research provided for under existing law
19 (but both activities shall be coordinated so far as practicable)
20 and shall be conducted by such agencies of the Department
21 of Agriculture as the Secretary may designate or establish.”

22 (2) By adding at the end thereof the following new
23 sections:

24 “SEC. 9. (a) In order to carry out further the purposes
25 of section 2 of this title, there is hereby authorized to be

1 appropriated in addition to all other appropriations authorized
2 by this title the following sums:

3 “(1) \$2,500,000 for the fiscal year ending June
4 30, 1947, and each subsequent fiscal year.

5 “(2) An additional \$2,500,000 for the fiscal
6 year ending June 30, 1948, and each subsequent fiscal
7 year.

8 “(3) An additional \$5,000,000 for the fiscal year
9 ending June 30, 1949, and each subsequent fiscal year.

10 “(4) An additional \$5,000,000 for the fiscal year
11 ending June 30, 1950, and each subsequent fiscal year.

12 “(5) An additional \$5,000,000 for the fiscal year
13 ending June 30, 1951, and each subsequent fiscal year.

14 “(6) In addition to the foregoing such additional
15 funds beginning with the fiscal year ending June 30,
16 1952, and thereafter, as the Congress may deem neces-
17 sary.

18 “The moneys appropriated in pursuance of this title
19 shall also be available for the purchase and rental of land
20 and the construction or acquisition of buildings necessary for
21 conducting research provided for in this title, for the equip-
22 ment and maintenance of such buildings, and for printing and
23 disseminating the results of research. Sums appropriated
24 in pursuance of this title shall be in addition to, and not in
25 substitution for, sums appropriated or otherwise made avail-

1 able for agricultural experiment stations. The said agricul-
2 tural experiment stations are authorized to plan and conduct
3 any research provided for under this title in cooperation
4 with each other and such other appropriate agencies and
5 individuals as may contribute to the solution of these problems
6 and sums appropriated in pursuance of this title shall be
7 available to meet the necessary expenses of such research.

8 “Unexpended balances of allotments to experiment sta-
9 tions from appropriations made under this section during
10 the first five fiscal years may remain available for expendi-
11 ture by the same experiment stations at which the unex-
12 pended balances occurred for the purposes specified in sec-
13 tion 1 and for the following periods: Unexpended balances
14 of the first year's allotments, five years; of the second fiscal
15 year's allotments, four years; of the third fiscal year's
16 allotments, three years; of the fourth fiscal year's allotments,
17 two years; and of the fifth fiscal year's allotments, one year;
18 and any unexpended balances of allotments to any experi-
19 ment stations from appropriations made under this section
20 of any subsequent fiscal year shall be deducted from the
21 next succeeding annual allotments to such experiment sta-
22 tions.

23 “(b) Not less than 97 per centum of the sums appro-
24 priated for any fiscal year under this section shall be avail-

1 able for the purposes of section 2 to be allotted to Puerto
2 Rico, each State and Territory as follows:

3 “(1) Twenty per centum of the sums appropriated
4 for any fiscal year under this section shall be allotted
5 equally to Puerto Rico, each State and Territory: *Pro-*
6 *vided*, That no allotment and no payment under any
7 allotment shall be made for any fiscal year in excess
8 of the amount which Puerto Rico or the State or Terri-
9 tory makes available for such fiscal year out of its own
10 funds, for research and for the establishment and mainte-
11 nance of necessary facilities for the prosecution of such
12 research. If Puerto Rico or any State or Territory fails
13 to make available for such purposes for any fiscal year
14 a sum equal to the amount to which it may be entitled
15 for such year, the remainder of such amount shall be
16 withheld by the Secretary.

17 “(2) Not less than 52 per centum of the sums ap-
18 propriated for any fiscal year under this section shall be
19 allotted to Puerto Rico, each State and Territory as fol-
20 lows: One-half in an amount which bears the same ratio
21 to the total amount to be allotted as the rural population
22 of Puerto Rico or the State or Territory bears to the
23 total rural population of Puerto Rico and all the States
24 and Territories as determined by the last preceding

1 decennial census; and one-half in an amount which
2 bears the same ratio to the total amount to be allotted
3 as the farm population of Puerto Rico or the State or
4 Territory bears to the total farm population of Puerto
5 Rico and all the States and Territories as determined by
6 the last preceding decennial census: *Provided*, That no
7 allotment and no payment under any allotment shall be
8 made for any fiscal year in excess of the amount which
9 Puerto Rico, or the State or Territory makes available
10 for such fiscal year out of its own funds for research and
11 for the establishment and maintenance of necessary facil-
12 ities for the prosecution of such research. If Puerto
13 Rico or any State or Territory fails to make available
14 for such purposes for any fiscal year a sum equal to the
15 amount to which it may be entitled for such year, the
16 remainder of such amount shall be withheld by the
17 Secretary.

18 “(3) Not more than 25 per centum of the sums
19 appropriated for any fiscal year under this section shall
20 be allotted to the States for cooperative research in
21 which two or more State agricultural experiment sta-
22 tions are cooperating to solve problems that concern
23 the agriculture of more than one State. The funds avail-
24 able for such purposes shall be designated as the
25 ‘Regional research fund, Office of Experiment Sta-

tions' and shall be used only for cooperative regional projects recommended by a committee of nine persons elected by and representing the directors of the State agricultural experiment stations and approved by the Secretary of Agriculture or his authorized representative. The necessary travel expense of said committee of nine in performance of their duties may be paid from the regional research fund, Office of Experiment Stations, provided for under this subsection.

“(c) Three per centum of the sums appropriated for any fiscal year under this section shall be available to the Office of Experiment Stations of the United States Department of Agriculture for administration of research under this section, including participation in planning and coordinating the cooperative regional research.”

“SEC. 10. (a) In order to carry out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities and products thereof authorized by section 1 of this title, and to disseminate information relative thereto, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated the following sums:

1 “(1) \$3,000,000 for the fiscal year ending June
2 30, 1947, and each subsequent fiscal year.

3 “(2) An additional \$3,000,000 for the fiscal year
4 ending June 30, 1948, and each subsequent fiscal year.

5 “(3) An additional \$3,000,000 for the fiscal year
6 ending June 30, 1949, and each subsequent fiscal year.

7 “(4) An additional \$3,000,000 for the fiscal year
8 ending June 30, 1950, and each subsequent fiscal year.

9 “(5) An additional \$3,000,000 for the fiscal year
10 ending June 30, 1951, and each subsequent fiscal year.

11 “(6) In addition to the foregoing, such additional
12 funds beginning with the fiscal year ending June 30,
13 1952, and thereafter, as the Congress may deem neces-
14 sary.

15 “The Secretary of Agriculture, in accordance with such
16 regulations as he deems necessary, and when in his judg-
17 ment the work to be performed will be carried out
18 more effectively, more rapidly, or at less cost than if per-
19 formed by the Department of Agriculture, may enter into
20 contracts with such public or private organizations or
21 individuals as he may find qualified to carry on work
22 under this section without regard to the provisions of section
23 3709, Revised Statutes, and with respect to such con-
24 tracts he may make advance progress or other payments
25 without regard to the provisions of section 3648, Revised

1 Statutes. Contracts hereunder may be made for work to
2 continue not more than four years from the date of any such
3 contract. Notwithstanding the provisions of section 5 of
4 the Act of June 20, 1874, as amended (31 U. S. C. 713),
5 any unexpended balances of appropriations properly obli-
6 gated by contracting with an organization as provided in this
7 subsection may remain upon the books of the Treasury for
8 not more than five fiscal years before being carried to the
9 surplus fund and covered into the Treasury. Research au-
10 thorized under this subsection shall be conducted so far as
11 practicable at laboratories of the Department of Agriculture.
12 Projects conducted under contract with public and private
13 agencies shall be supplemental to and coordinated with
14 research of these laboratories. Any contracts made pursuant
15 to this authority shall contain requirements making the
16 results of research and investigations available to the public
17 through dedication, assignment to the Government, or such
18 other means as the Secretary shall determine.

19 “(b) In order to carry out further the purposes of
20 section 1, other than research on utilization of agricultural
21 commodities and the products thereof, and in addition to all
22 other appropriations authorized by this title, there is hereby
23 authorized to be appropriated for cooperative research with
24 the State agricultural experiment stations and such other
25 appropriate agencies as may be mutually agreeable to the

1 Department of Agriculture and the experiment stations con-
2 cerned, the following sums:

3 “(1) \$1,500,000 for the fiscal year ending June
4 30, 1947, and each subsequent fiscal year.

5 “(2) An additional \$1,500,000 for the fiscal year
6 ending June 30, 1948, and each subsequent fiscal year.

7 “(3) An additional \$1,500,000 for the fiscal year
8 ending June 30, 1949, and each subsequent fiscal year.

9 “(4) An additional \$1,500,000 for the fiscal year
10 ending June 30, 1950, and each subsequent fiscal year.

11 “(5) In addition to the foregoing such additional
12 funds beginning with the fiscal year ending June 30,
13 1951, and thereafter, as the Congress may deem neces-
14 sary.

15 “(c) The Secretary may incur necessary administrative
16 expenses not to exceed 3 per centum of the amount appro-
17 priated in any fiscal year in carrying out this section, in-
18 cluding the specific objects of expense enumerated in section
19 3 of this title.

20 “(d) The ‘Special research fund, Department of Agri-
21 culture’, provided by section 4 of this title, shall continue
22 to be available solely for research into laws and principles
23 underlying basic problems of agriculture in its broadest
24 aspects; research relating to the improvement of the quality
25 of, and the development of, new and improved methods of

1 production of, distribution of, and new and extended uses
2 and markets for, agricultural commodities and byproducts
3 and manufacturers thereof; and research relating to the con-
4 servation, development, and use of land and water resources
5 for agricultural purposes. Such research shall be in addi-
6 tion to research provided for under other law (but both
7 activities shall be coordinated so far as practicable) and
8 shall be conducted by such agencies of the Department of
9 Agriculture as the Secretary of Agriculture may designate
10 or establish.

11 "SEC. 11. Notwithstanding any other provision of this
12 title, (1) not less than 20 per centum of the funds authorized
13 to be appropriated under section 9 (a) shall be used by
14 State agricultural experiment stations for conducting mar-
15 keting research projects approved by the Department of
16 Agriculture, and (2) cooperative research projects provided
17 for under sections 9 (a) (3) and 10 (b) shall be carried
18 out under cooperative agreements between the Secretary
19 of Agriculture and the cooperating agencies and shall include
20 appropriate provisions for preventing duplication or over-
21 lapping of work within the State or States cooperating.
22 Should duplication or overlapping occur subsequent to
23 approval of a cooperative research project, the Secretary of
24 Agriculture is authorized and directed to withhold unex-
25 pended balances on such projects notwithstanding the prior

1 approval thereof. The Secretary of Agriculture shall in-
2 clude in his annual report to Congress a complete statement
3 of research work being performed under contracts or
4 cooperative agreements under this title, showing the names
5 of the agencies cooperating and the amounts expended
6 thereon, segregated by Federal and non-Federal funds."

7 TITLE II

8 This title may be cited as the "Agricultural Marketing
9 Act of 1946".

10 SEC. 202. The Congress hereby declares that a sound,
11 efficient, and privately operated system for distributing and
12 marketing agricultural products is essential to a prosperous
13 agriculture and is indispensable to the maintenance of full
14 employment and to the welfare, prosperity, and health of the
15 Nation. It is further declared to be the policy of Congress to
16 promote through research, study, experimentation, and
17 through cooperation among Federal and State agencies, farm
18 organizations, and private industry a scientific approach to
19 the problems of marketing, transportation, and distribution
20 of agricultural products similar to the scientific methods
21 which have been utilized so successfully during the past
22 eighty-four years in connection with the production of agri-
23 cultural products so that such products capable of being
24 produced in abundance may be marketed in an orderly man-
25 ner and efficiently distributed. In order to attain these objec-

1 tives, it is the intent of Congress to provide for (1)
2 continuous research to improve the marketing, handling,
3 storage, processing, transportation, and distribution of agri-
4 cultural products; (2) cooperation among Federal and
5 State agencies, producers, industry organizations, and
6 others in the development and effectuation of research
7 and marketing programs to improve the distribution
8 processes; (3) an integrated administration of all laws
9 enacted by Congress to aid the distribution of agricultural
10 products through research, market aids and services, and
11 regulatory activities, to the end that marketing methods and
12 facilities may be improved, that distribution costs may be
13 reduced and the price spread between the producer and
14 consumer may be narrowed, that dietary and nutritional
15 standards may be improved, that new and wider markets
16 for American agricultural products may be developed, both
17 in the United States and in other countries, with a view to
18 making it possible for the full production of American farms
19 to be disposed of usefully, economically, profitably, and
20 in an orderly manner. In effectuating the purposes of this
21 title, maximum use shall be made of existing research
22 facilities owned or controlled by the Federal Government
23 or by State agricultural experiment stations and of the
24 facilities of the Federal and State extension services.

1 SEC. 203. The Secretary of Agriculture is directed and
2 authorized:

3 (a) To conduct, assist, and foster research, investigation,
4 and experimentation to determine the best methods of proc-
5 essing, preparation for market, packaging, handling, trans-
6 porting, storing, distributing, and marketing agricultural prod-
7 ucts: *Provided*, That the results of such research shall be
8 made available to the public for the purpose of expanding
9 the use of American agricultural products in such manner
10 as the Secretary of Agriculture may determine.

11 (b) To determine costs of marketing agricultural prod-
12 ucts in their various forms and through the various channels
13 and to foster and assist in the development and establish-
14 ment of more efficient marketing methods (including analyses
15 of methods and proposed methods), practices, and facilities,
16 for the purpose of bringing about more efficient and orderly
17 marketing, and reducing the price spread between the
18 producer and the consumer.

19 (c) To develop and improve standards of quality, con-
20 dition, quantity, grade, and packaging, and recommend
21 and demonstrate such standards in order to encourage uni-
22 formity and consistency in commercial practices.

23 (d) To conduct, assist, foster, and direct studies and
24 informational programs designed to eliminate artificial bar-
25 riers to the free movement of agricultural products.

1 (e) To foster and assist in the development of new
2 markets and new uses and in the moving of larger quantities
3 of agricultural products through the private marketing
4 system to consumers in the United States and elsewhere.

5 (f) To conduct and cooperate in consumer education
6 for the more effective utilization and greater consumption
7 of agricultural products: *Provided*, That no money appro-
8 priated under the authority of this Act shall be used to pay
9 for newspaper or periodical advertising space or radio time
10 in carrying out the purposes of this section and section
11 203 (e).

12 (g) To collect and disseminate marketing information,
13 including adequate outlook information on a market-area
14 basis, for the purpose of anticipating and meeting consumer
15 requirements, aiding in the maintenance of farm income,
16 and bringing about a balance between production and utiliza-
17 tion of agricultural products.

18 (h) To inspect, certify, and identify the class, quality,
19 quantity, and condition of agricultural products when shipped
20 or received in interstate commerce, under such rules and
21 regulations as the Secretary of Agriculture may prescribe, in-
22 cluding assessment and collection of such fees as will be
23 reasonable and as nearly as may be to cover the cost of the
24 service rendered, to the end that agricultural products may be

1 marketed to the best advantage, that trading may be facili-
2 tated, and that consumers may be able to obtain the quality
3 product which they desire, except that no person shall be
4 required to use the service authorized by this subsection.
5 Any official certificate issued under the authority of this
6 subsection shall be received by all officers and all courts of
7 the United States as prima facie evidence of the truth of the
8 statements therein contained.

9 (i) To determine the needs and develop or assist in the
10 development of plans for efficient facilities and methods of
11 operating such facilities for the proper assembly, processing,
12 transportation, storage, distribution, and handling of agri-
13 cultural products.

14 (j) To assist in improving transportation services and
15 facilities and in obtaining equitable and reasonable transporta-
16 tion rates and services and adequate transportation facilities
17 for agricultural products and farm supplies by making com-
18 plaint or petition to the Interstate Commerce Commission,
19 the Maritime Commission, the Civil Aeronautics Board, or
20 other Federal or State transportation regulatory body with
21 respect to rates, charges, tariffs, practices, and services, or
22 by working directly with individual carriers or groups of
23 carriers.

24 (k) To collect, tabulate, and disseminate statistics on
25 marketing agricultural products, including, but not restricted

1 to statistics on market supplies, storage stocks, quantity,
2 quality, and condition of such products in various positions
3 in the marketing channel, utilization of such products, and
4 shipments and unloads thereof.

5 (l) To develop and promulgate, for the use and at the
6 request of any Federal agency or State, procurement stand-
7 ards and specifications for agricultural products, and submit
8 such standards and specifications to such agency or State for
9 use or adoption for procurement purposes.

10 (m) To conduct, assist, encourage, and promote re-
11 search, investigation, and experimentation to determine the
12 most efficient and practical means, methods, and processes
13 for the handling, storing, preserving, protecting, processing,
14 and distributing of agricultural commodities to the end that
15 such commodities may be marketed in an orderly manner
16 and to the best interest of the producers thereof.

17 (n) To conduct such other research and services and
18 to perform such other activities as will facilitate the market-
19 ing, distribution, processing, and utilization of agricultural
20 products through commercial channels.

21 SEC. 204. (a) In order to conduct research and service
22 work in connection with the preparation for market, process-
23 ing, packaging, handling, storing, transporting, distributing,
24 and marketing of agricultural products as authorized by this

1 title, there is hereby authorized to be appropriated the follow-
2 ing sums:

3 (1) \$2,500,000 for the fiscal year ending June 30,
4 1947, and each subsequent fiscal year.

5 (2) An additional \$2,500,000 for the fiscal year
6 ending June 30, 1948, and each subsequent fiscal year.

7 (3) An additional \$5,000,000 for the fiscal year
8 ending June 30, 1949, and each subsequent fiscal year.

9 (4) An additional \$5,000,000 for the fiscal year
10 ending June 30, 1950, and each subsequent fiscal year.

11 (5) An additional \$5,000,000 for the fiscal year
12 ending June 30, 1951, and each subsequent fiscal year.

13 (6) In addition to the foregoing, such additional
14 funds beginning with the fiscal year ending June 30,
15 1952, and thereafter, as the Congress may deem
16 necessary.

17 Such sums appropriated in pursuance of this title shall be
18 in addition to, and not in substitution for, sums appropriated
19 or otherwise made available to the Department of Agri-
20 culture.

21 (b) The Secretary of Agriculture is authorized to make
22 available from such funds such sums as he may deem appro-
23 priate for allotment to State departments of agriculture, State
24 bureaus and departments of markets, State agricultural experi-
25 ment stations, and other appropriate State agencies for co-

1 operative research projects in marketing to effectuate the pur-
2 poses of title II of this Act: *Provided*, That no such allotment
3 and no payment under any such allotment shall be made for
4 any fiscal year to any State agency in excess of the amount
5 which such State agency makes available out of its own
6 funds for such research. The funds which State agencies
7 are required to make available in order to qualify for such
8 an allotment shall be in addition to any funds now available
9 to such agencies for marketing research. The allotments
10 authorized under this section shall be made to the agency or
11 agencies best equipped and qualified to conduct the specific
12 research project to be undertaken. Such allotments shall
13 be covered by cooperative agreements between the Secre-
14 tary of Agriculture and the cooperating agency and shall
15 include appropriate provisions for preventing duplication
16 or overlapping of work within the State or States cooperating.
17 Should duplication or overlapping occur subsequent to ap-
18 proval of a cooperative research project or allotment of
19 funds, the Secretary of Agriculture is authorized and directed
20 to withhold unexpended balances on such projects not-
21 withstanding the prior approval thereof.

22 SEC. 205. (a) In carrying out the provisions of title II
23 of this Act, the Secretary of Agriculture may cooperate
24 with other branches of the Government, State agencies,
25 private research organizations, purchasing and consuming

1 organizations, boards of trade, chambers of commerce, other
2 associations of business or trade organizations, transporta-
3 tion and storage agencies and organizations, or other persons
4 or corporations engaged in the production, transportation,
5 storing, processing, marketing, and distribution of agricultural
6 products whether operating in one or more jurisdictions. The
7 Secretary of Agriculture shall have authority to enter into
8 contracts and agreements under the terms of regulations pro-
9 mulgated by him with States and agencies of States, private
10 firms, institutions, and individuals for the purpose of conduct-
11 ing research and service work, making and compiling reports
12 and surveys, and carrying out other functions relating thereto
13 when in his judgment the services or functions to be per-
14 formed will be carried out more effectively, more rapidly, or
15 at less cost than if performed by the Department of Agri-
16 culture. Contracts hereunder may be made for work to
17 be performed within a period not more than four years from
18 the date of any such contract, and advance, progress, or other
19 payments may be made. The provisions of section 3648
20 (31 U. S. C., sec. 529) and section 3709 (41 U. S. C.,
21 sec. 5) of the Revised Statutes shall not be applicable to
22 contracts or agreements made under the authority of this
23 section. Any unexpended balances of appropriations obli-
24 gated by contracts as authorized by this section may, not-
25 withstanding the provisions of section 5 of the Act of June

1 20, 1874, as amended (31 U. S. C., sec. 713), remain
2 upon the books of the Treasury for not more than five
3 fiscal years before being carried to the surplus fund and
4 covered into the Treasury. Any contract made pursuant to
5 this section shall contain requirements making the result
6 of such research and investigations available to the public
7 by such means as the Secretary of Agriculture shall deter-
8 mine.

9 (b) The Secretary of Agriculture shall promulgate such
10 orders, rules, and regulations as he deems necessary to carry
11 out the provisions of this title. In his annual report to
12 Congress, he shall include a complete statement of research
13 work being performed under contracts or cooperative agree-
14 ments under this title, showing the names of the agencies
15 cooperating and the amounts expended thereon, segregated
16 by Federal and non-Federal funds.

17 SEC. 206. In order to facilitate administration and to
18 increase the effectiveness of the marketing research, service,
19 and regulatory work of the Department of Agriculture to
20 the fullest extent practicable, the Secretary of Agriculture
21 is authorized, notwithstanding any other provisions of law,
22 to transfer, group, coordinate, and consolidate the functions,
23 powers, duties, and authorities of each and every agency,
24 division, bureau, service, section, or other administrative
25 unit in the Department of Agriculture primarily concerned

1 with research, service, or regulatory activities in connection
2 with the marketing, transportation, storage, processing, dis-
3 tribution of, or service or regulatory activities in connection
4 with, the utilization of, agricultural products, into a single
5 administrative agency. In making such changes as may be
6 necessary to carry out effectively the purposes of this title,
7 the records, property, personnel, and funds of such agencies,
8 divisions, bureaus, services, sections, or other administrative
9 units in the Department of Agriculture affected thereby are
10 authorized to be transferred to and used by such administra-
11 tive agency to which the transfer may be made, but such
12 unexpended balances of appropriations so transferred shall
13 be used only for the purposes for which such appropriations
14 were made.

15 SEC. 207. When used in this title, the term "agricul-
16 tural products" includes agricultural, horticultural, viticul-
17 tural, and dairy products, livestock and poultry, bees, forest
18 products, and any products thereof, including processed and
19 manufactured products, and any and all products raised or
20 produced on farms and any processed or manufactured
21 product thereof.

22 SEC. 208. The Secretary of Agriculture shall have the
23 power to appoint, remove, and fix, in accordance with exist-
24 ing law, the compensation of such officers and employees,
25 and to make such expenditures as he deems necessary,

1 including expenditures for rent outside the District of
2 Columbia, travel, supplies, books, equipment, and such
3 other expenditures as may be necessary to the administra-
4 tion of this title: *Provided*, That the Secretary of Agriculture
5 may appoint and fix the compensation of any technically
6 qualified person, firm, or organization by contract or other-
7 wise on a temporary basis and for a term not to exceed
8 six months in any fiscal year to perform research, inspection,
9 classification, technical, or other special services, without
10 regard to the civil-service laws or the Classification Act of
11 1923, as amended.

12 TITLE III

13 SEC. 301. In order to aid in implementing the research
14 and service work authorized under titles I and II of this
15 Act, and to assist in obtaining the fullest cooperation among
16 Federal and State agencies, producers, farm organizations,
17 and private industry, in the development of and in effectuat-
18 ing such research and service programs, and in order to
19 secure the greatest benefit from the expenditure of funds,
20 the Secretary of Agriculture shall establish a national ad-
21 visory committee. The functions of such advisory committee
22 shall be to consult with the Secretary of Agriculture and
23 other appropriate officials of the Department of Agriculture,
24 to make recommendations relative to research and service
25 work authorized by this Act, and to assist in obtaining the

1 cooperation of producers, farm organizations, industry groups,
2 and Federal and State agencies in the furtherance of such
3 research and service programs. The membership of such
4 advisory committee shall consist of the following: One per-
5 son from each of the general national farm organizations;
6 one person from the National Association of Commissioners,
7 Secretaries, and Directors of Agriculture; one person from
8 the National Association of Marketing Officials; one per-
9 son to represent State agricultural experiment stations;
10 one person to represent State extension services, to be
11 selected by the groups which each is to represent. For each
12 of the following commodity groups: Fruits, vegetables, and
13 nuts; livestock and wool; grains; cotton; tobacco; dairy
14 products; forest products; and poultry and poultry products;
15 the Secretary shall appoint two persons to represent pro-
16 ducers, one person to represent distributors, and one person
17 to represent processors. The Secretary shall also appoint
18 two persons to represent retailers. In the selection of such
19 members, due consideration shall be given to recommenda-
20 tions of the groups to be represented, and the representatives
21 of producers shall be so selected as to afford cooperative asso-
22 ciations of producers with adequate representation. One rep-
23 resentative from the Department of Commerce, to be selected
24 by the Secretary of Commerce, and one representative from
25 the Interstate Commerce Commission, to be designated by

1 the Chairman of the Commission, and such officials of the
2 Department of Agriculture as the Secretary of Agri-
3 culture may designate shall be ex officio members.
4 The chairman of the committee shall be the Secretary
5 of Agriculture or such other official of the Department of
6 Agriculture as he shall designate. The committee shall meet
7 at least once each year at the call of the chairman or of
8 the executive committee. In order to facilitate the work of
9 such advisory committee and to increase its effectiveness, an
10 executive committee of eleven members, six of whom shall
11 be representatives of producers or their organizations, shall
12 be created by and from the membership of such advisory
13 committee. The executive committee shall meet at least
14 once each quarter and at such other times as are deemed
15 necessary. Members of such advisory or executive com-
16 mittees may not appoint alternates to serve in their stead.
17 Committee members other than the ex officio members shall
18 not be deemed to be employees of the United States and
19 are not entitled to compensation, but the Secretary of Agri-
20 culture is authorized to allow their traveling and subsistence.
21 expenses necessary in connection with their attendance at
22 meetings called by him for the purposes of this section.

23 SEC. 302. In the furtherance of the research and service
24 work authorized by this Act, the Secretary of Agriculture
25 may, in addition to the national advisory committee, estab-

- 1 lish appropriate committees, including representatives of
- 2 producers, industry, government, and science, to assist in
- 3 effectuating specific research and service programs.

79TH CONGRESS
2^D Session

H. R. 6932

[Report No. 2458]

A BILL

To provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products.

By Mr. FLANNAGAN

JUNE 29, 1946

Referred to the Committee on Agriculture

JULY 8, 1946

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

RESEARCH AND MARKETING SERVICES ACT OF 1946
(Public Law 733, Approved August 14, 1946, amending the Bankhead-Jones Act of June 29, 1935)

Distribution by States of Amounts Authorized For The First Year (Ending June 30, 1947) Under Sections 9(l)1 and 9(l)2, The Population Figures From the 1940 Census Upon Which These Amounts are Based, and Each State's Proportionate Share of Marketing Research as Required by Section 11.

State	20 Percent Equally Distributed (Sec. 9(b)1)	26 Percent on Basis of Rural: Population (Sec. 9(b)2)	26 Percent on Basis of Farm Population (Sec. 9(b)2)	Total Allotment Authorized Under Sections 9(b)1 and 9(b)2	Proportionate Share of Marketing Research (Section 11)**	Rural Population (1940 Census)	Farm Population (1940 Census)
Alabama	\$ 9,803.92	\$ 21,868.68	\$ 27,496.18	59,168.78	\$ 12,199.75	1,977,020	1,343,080
Alaska	9,803.92	610.04	46.06	10,460.02	2,156.71	55,150	2,250*
Arizona	9,803.92	3,598.06	2,343.04	15,745.02	3,246.40	325,280	114,448
Arkansas	9,803.92	16,785.47	22,787.96	49,377.35	10,180.90	1,517,477	1,113,102
California	9,803.92	22,179.53	13,725.29	45,708.74	9,424.48	2,005,122	670,426
Colorado	9,803.92	5,890.66	5,176.74	20,871.32	4,303.36	532,540	252,863
Connecticut	9,803.92	6,095.74	2,145.72	18,045.38	3,720.70	551,080	104,810
Delaware	9,803.92	1,405.61	941.20	12,150.73	2,505.31	127,073	45,974
Florida	9,803.92	9,420.17	6,249.02	25,473.11	5,252.19	851,623	305,240
Georgia	9,803.92	22,675.00	27,998.72	60,477.64	12,469.62	2,049,915	1,367,627
Hawaii	9,803.92	1,759.86	2,661.42	14,225.20	2,933.03	159,099	130,000*
Idaho	9,803.92	3,851.20	4,147.36	17,802.48	3,670.61	348,165	202,582
Illinois	9,803.92	23,091.75	20,040.66	52,936.33	10,914.71	2,087,591	978,907
Indiana	9,803.92	17,035.54	16,713.90	43,553.36	8,980.07	1,540,084	816,408
Iowa	9,803.92	16,083.74	19,055.99	44,943.65	9,266.73	1,454,037	930,810
Kansas	9,803.92	11,582.28	12,425.65	33,811.85	6,971.52	1,047,087	606,944
Kentucky	9,803.92	22,081.94	25,816.62	57,702.48	11,897.42	1,996,300	1,261,040
Louisiana	9,803.92	15,302.84	17,482.46	42,589.22	8,781.28	1,383,441	853,949
Maine	9,803.92	5,576.83	3,608.75	18,989.50	3,915.36	504,169	176,273
Maryland	9,803.92	8,195.34	5,028.51	23,027.77	4,747.99	740,893	245,623
Massachusetts	9,803.92	5,057.79	3,013.84	17,875.55	3,685.68	457,245	147,214
Michigan	9,803.92	19,924.29	17,828.09	47,556.30	9,805.42	1,801,239	870,832
Minnesota	9,803.92	15,510.37	18,724.32	44,038.61	9,080.13	1,402,202	914,609
Mississippi	9,803.92	19,367.62	28,725.80	57,897.34	11,937.60	1,750,914	1,403,142
Missouri	9,803.92	20,175.70	23,040.00	53,019.62	10,931.88	1,823,968	1,125,413
Montana	9,803.92	3,848.51	3,604.26	17,256.69	3,558.08	347,921	176,054
Nebraska	9,803.92	8,867.80	10,199.80	28,871.52	5,952.89	801,686	498,220
Nevada	9,803.92	740.63	324.74	10,869.29	2,241.09	66,956	15,862

RESEARCH AND MARKETING SERVICES ACT OF 1946
(Public Law 733, Approved August 14, 1946, amending the Bankhead-Jones Act of June 29, 1935)

State	20 Percent Equally Distributed (Sec. 9(b)1)	26 Percent on Basis of Rural Population (Sec. 9(b)2)	26 Percent on Basis of Farm Population (Sec. 9(b)2)	Total Allotment Authorized Under Sections 9(b)1 and 9(b)2	Proportionate Share of Marketing Research (Section 11)** (1940 Census)	Rural Population (1940 Census)	Farm Population (1940 Census)
New Hampshire	\$ 9,803.92	\$ 2,304.09	\$ 1,442.98	\$ 13,550.99	\$ 2,794.02	208,299	70,484
New Jersey	9,803.92	8,466.33	2,928.75	21,199.00	4,370.93	765,392	143,058
New Mexico	9,803.92	3,931.42	3,651.25	17,386.59	3,584.86	355,417	178,349
New York	9,803.92	25,587.85	14,954.19	50,345.96	10,380.61	2,313,249	730,453
North Carolina	9,803.92	28,731.50	33,973.62	72,509.04	14,950.32	2,597,448	1,659,477
North Dakota	9,803.92	5,641.46	6,713.81	22,159.19	4,568.90	510,012	327,943
Ohio	9,803.92	25,381.86	22,287.47	57,473.25	11,850.15	2,294,626	1,088,655
Oklahoma	9,803.92	16,113.98	19,047.84	44,965.74	9,271.29	1,456,771	930,412
Oregon	9,803.92	6,172.38	5,297.28	21,273.58	4,386.31	558,009	258,751
Pennsylvania	9,803.92	36,649.89	18,728.21	65,182.02	13,439.59	3,313,303	914,799
Puerto Rico	9,803.92	14,411.92	21,926.03	46,141.87	9,513.79	1,302,898	1,071,000*
Rhode Island	9,803.92	663.28	354.34	10,821.54	2,231.25	59,963	17,308
South Carolina	9,803.92	15,858.70	18,765.30	44,427.92	9,160.40	1,433,693	916,611
South Dakota	9,803.92	5,363.40	6,291.56	21,458.88	4,424.51	484,874	307,318
Tennessee	9,803.92	20,891.01	26,114.33	56,809.26	11,713.25	1,888,635	1,275,582
Texas	9,803.92	38,753.02	44,211.31	92,768.25	19,127.47	3,503,435	2,159,548
Utah	9,803.92	2,708.03	2,142.61	14,654.56	3,021.56	244,817	104,658
Vermont	9,803.92	2,610.41	2,180.97	14,595.30	3,009.34	235,992	106,532
Virginia	9,803.92	19,170.55	20,195.02	49,169.49	10,138.04	1,733,098	986,447
Washington	9,803.92	9,006.46	6,968.87	25,779.25	5,315.31	814,222	340,402
West Virginia	9,803.92	15,128.53	10,903.95	35,836.40	7,388.95	1,367,682	532,615
Wisconsin	9,803.92	16,132.47	18,075.93	44,012.32	9,074.70	1,458,443	882,938
Wyoming	9,803.92	1,738.47	1,492.28	13,034.67	2,687.56	157,165	72,892
Total	\$499,999.92	650,000.00	\$650,000.00	\$1,799,999.92	\$371,134.02	58,762,720	31,749,934

* Figures for Alaska, Hawaii, and Puerto Rico not published but were secured from the Bureau of the Census.
* * Based on assumption that a proportionate amount will be expended from the Regional Research Fund provided under Section 9(b)3.

6 Distribution by States of Full Amounts Authorized by Section 9(b)(1) and 9(b)(2) of H. R. 6932 and Comparison of Amounts Each State Would Receive From 52 Percent Distributed on Basis of Both Farm and Rural Population with Amount Each State Would Receive if the 52 Percent Were Distributed on Basis of Rural Population Only.

State	20 Percent Equally Distributed	52 Percent Distributed as Provided by Bill		Total	52 Percent Distributed on Basis of Existing Formula (Rural Population)	Increase (+) or Decrease (-) Column (6) as Compared With Column (5)
		26 Percent on Basis of Rural Population	26 Percent on Basis of Farm Population			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Alabama	\$ 78,431.36	\$ 174,949.44	\$ 219,969.44	\$ 394,918.88	\$ 349,898.88	- 45,020.00
Alaska	78,431.36	4,880.32	368.48	5,248.80	9,760.64	+ 4,511.84
Arizona	78,431.36	28,784.48	18,744.32	47,528.80	57,568.96	+ 10,040.16
Arkansas	78,431.36	134,283.76	182,303.68	316,587.44	268,567.52	- 48,019.92
California	78,431.36	177,436.24	109,802.32	287,238.56	354,872.48	+ 67,633.92
Colorado	78,431.36	47,125.28	41,413.92	88,539.20	94,250.56	+ 5,711.36
Connecticut	78,431.36	48,765.92	17,165.76	65,931.68	97,531.84	+ 31,600.16
Delaware	78,431.36	11,244.88	7,529.60	18,774.48	22,489.76	+ 3,715.28
Florida	78,431.36	75,361.36	49,992.16	125,353.52	150,722.72	+ 25,369.20
Georgia	78,431.36	181,400.00	223,989.76	405,389.76	362,800.00	- 42,589.76
Hawaii	78,431.36	14,078.88	21,291.36	35,370.24	28,157.76	- 7,212.48
Idaho	78,431.36	30,809.60	33,178.88	63,988.48	61,619.20	- 2,369.28
Illinois	78,431.36	184,734.00	160,325.28	345,059.28	369,468.00	+ 24,408.72
Indiana	78,431.36	136,284.32	133,711.20	269,995.52	272,568.64	+ 2,573.12
Iowa	78,431.36	128,669.92	152,447.92	281,117.84	257,339.84	- 23,778.00
Kansas	78,431.36	92,658.24	99,405.20	192,063.44	185,316.48	- 6,746.96
Kentucky	78,431.36	176,655.52	206,532.96	383,188.48	353,311.04	- 29,877.44
Louisiana	78,431.36	122,422.72	139,859.68	262,282.40	244,845.44	- 17,436.96
Maine	78,431.36	44,614.64	28,870.00	73,484.64	89,229.28	+ 15,744.64
Maryland	78,431.36	65,562.72	40,228.08	105,790.80	131,125.44	+ 25,334.64
Massachusetts	78,431.36	40,462.32	24,110.72	64,573.04	80,924.64	+ 16,351.60
Michigan	78,431.36	159,394.32	142,624.72	302,019.04	318,788.64	+ 16,769.60
Minnesota	78,431.36	124,082.96	149,794.56	273,877.52	248,165.92	- 25,711.60
Mississippi	78,431.36	154,940.96	229,806.40	384,747.36	309,881.92	- 74,865.44
Missouri	78,431.36	161,405.60	184,320.00	345,725.60	322,811.20	- 22,914.40
Montana	78,431.36	30,788.08	28,834.08	59,622.16	61,576.16	+ 1,954.00

State	20 Percent Actually Distributed	52 Percent Distributed as:		52 Percent Distributed on Basis of Existing Formula (Rural Population)	Increase (+) or Decrease (-) Column (6) as Compared with Column (5)
		26 Percent on Basis of Rural Population (3)	26 Percent on Basis of Farm Population (4)		
(1)	(2)	(3)	(4)	(5)	(6)
					(7)
Nebraska	\$ 78,431.36	\$ 70,942.40	\$ 81,598.40	\$ 152,540.80	\$ 141,884.80
Nevada	78,431.36	5,925.04	2,597.92	8,522.96	11,850.08
New Hampshire	78,431.36	18,432.72	11,543.84	29,976.56	36,865.44
New Jersey	78,431.36	67,730.64	23,430.00	91,160.64	135,461.28
New Mexico	78,431.36	31,451.36	29,210.00	60,661.36	62,902.72
New York	78,431.36	204,702.80	119,633.52	324,336.32	409,405.60
North Carolina	78,431.36	229,852.00	271,788.96	501,640.96	459,704.00
North Dakota	78,431.36	45,131.68	53,710.48	98,842.16	90,263.36
Ohio	78,431.36	203,054.88	178,299.76	381,354.64	406,109.76
Oklahoma	78,431.36	128,911.84	152,382.72	281,294.56	257,823.68
Oregon	78,431.36	49,379.04	42,378.24	91,757.28	98,758.08
Pennsylvania	78,431.36	293,199.12	149,825.68	443,024.80	586,398.24
Puerto Rico.	78,431.36	115,295.36	175,408.24	290,703.60	230,590.72
Rhode Island	78,431.36	5,306.24	2,834.72	8,140.96	10,612.48
South Carolina	78,431.36	126,869.60	150,122.40	276,992.00	253,739.20
South Dakota	78,431.36	42,907.20	50,332.48	93,239.68	85,814.40
Tennessee	78,431.36	167,128.08	208,914.64	376,042.72	334,256.16
Texas	78,431.36	310,024.16	353,690.48	663,714.64	620,048.32
Utah	78,431.36	21,664.24	17,140.88	38,805.12	43,328.48
Vermont	78,431.36	20,883.28	17,447.76	38,331.04	41,766.56
Virginia	78,431.36	153,364.40	161,560.16	314,924.56	306,728.80
Washington	78,431.36	72,051.68	55,750.96	127,802.64	144,103.36
West Virginia	78,431.36	121,028.24	87,231.60	208,259.84	242,056.48
Wisconsin	78,431.36	129,059.76	144,607.44	273,667.20	258,119.52
Wyoming	78,431.36	13,907.76	11,938.24	25,846.00	27,815.52
Total	\$ 3,599,999.36	\$ 5,200,000.00	\$ 5,200,000.00	\$ 10,400,000.00	\$ 10,400,000.00
					00.00

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 16, 1946
For actions of July 15, 1946
79th-2nd, No. 138

CONTENTS

Appropriations.....10,11	Irrigation.....20	Price control.....14,27
Assistant secretaries.... 2	Lands, forest.....19	Prices.....12,18
Banking and currency..... 7	Lands, public.....16	Reorganization.....9,21,25
Education.....16	Livestock and meat.....12	Research..... 1
Farm production..... 6	Loans, foreign.....29,30	Rural rehabilitation.... 5
Fertilizers.....10	Machinery, farm.....22	Subsidies.....26,27
Fiscal control.....15	Marketing..... 1	Taxation.....26
Foreign relations.....24	Nutrition.....23	Veterans.....13,28
Forestry.....15,19	Personnel.....3,4	Yearly calendar.....17

~~HIGHLIGHTS: House passed Flannagan-Hope research-marketing bill. House committee reported bill to provide for 2 additional Assistant Secretaries of Agriculture. Both Houses agreed to conference report on bill to continue and ultimately liquidate rural-rehabilitation projects. House passed bill to authorize retirement of separated personnel with 25 years of service on reduced annuities. Senate approved reorganization plan 2 (Federal Security Agency), and disapproved plan 1 (research, credit union, and housing provisions). Senate agreed to conference report on Government corporations appropriation bill; receded from Senate amendment authorizing TVA fertilizer plant. President approved British-loan bill.~~

HOUSE

- ~~1. RESEARCH; MARKETING. Passed as reported H. R. 6932, the Flannagan-Hope bill to authorize additional appropriations for production and marketing research and marketing services (pp. 9148-59). For bill's provisions see Digests 102 and 128.~~
- ~~2. ASSISTANT SECRETARIES OF AGRICULTURE. The Agriculture Committee reported without amendment H. R. 5757, to provide for two additional Assistant Secretaries of Agriculture (H. Rept. 2521)(p. 9181). A companion bill has been reported by the Senate committee.~~
- ~~3. CIVIL-SERVICE RETIREMENT. Passed as reported H. R. 4718, to amend the Civil Service Retirement Act so as to permit personnel to retire on a reduced annuity if they are separated through no fault of their own after 25 or more years of service; provides that the pensions will be reduced 2% for each year an employee is under the optional retirement ages of 60 and 62 (pp. 9129, 9141-4).~~
- ~~4. EFFICIENCY RATINGS. Passed with amendments H. R. 5590, to provide for uniform administration of efficiency ratings (pp. 9146-7).~~
- ~~5. RURAL-REHABILITATION PROJECTS. Both Houses agreed to the conference report on S. 704, to authorize this Department to continue the administration of and ultimately liquidate Federal rural-rehabilitation projects. . . . This bill will now be sent to the President. (pp. 9106-7, 9129.)~~
- ~~6. IOWA CENTENNIAL. Several members discussed this subject, including speeches on agricultural development, etc. (pp. 9160-73).~~

7. BANKING AND CURRENCY. Conferees were appointed on H. R. 4590, to authorize the use by industry of silver held or owned by the U. S. (pp. 9128-30).
8. PRICE CONTROL. Received a Northampton, Mass., Council resolution favoring OPA continuation "without crippling amendments" (p. 9182).

SENATE

9. REORGANIZATION. Rejected, 37-40, S. Con. Res. 65, disapproving of Reorganization Plan No. 2 (pp. 9088-106). This plan includes Federal Security Agency provisions. Agreed, 45-31, to H. Con. Res. 155, disapproving of Reorganization Plan No. 1 (pp. 9107-20). This plan includes the research, credit union, and housing provisions.
10. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Agreed to conference report on this bill, H.R. 6777 (pp. 9087-8). The Senate receded from its amendment authorizing a fertilizer plant near Mobile; Ala. Amendment No. 4 on public housing authority is still in disagreement.
11. THIRD DEFICIENCY APPROPRIATION BILL. Made this bill, H.R. 6865, the unfinished business for today (p. 9122).
12. LIVESTOCK AND MEAT; PRICES. Sen. Wherry, Nebr., discussed livestock and other commodity prices and inserted the American Meat Institute's reports on such prices (pp. 9124-5).
13. VETERANS; TERMINAL LEAVE. Received sundry telegrams and letters favoring H. R. 4051, to grant enlisted personnel certain benefits in lieu of accumulated leave (p. 9085).
14. PRICE CONTROL. Sen. Magnuson, Wash., criticized the price-control bill and inserted a Maritime Unity Committee resolution favoring increased wages if OPA is not reestablished (p. 9086).

BILLS INTRODUCED

15. FORESTRY FISCAL-OMNIBUS BILL. H.R. 7031 (see Digest 137) permits erection of Forest Service structures on non-Government land; permits open-market purchases by the Forest Service of forest-tree seed or cones or of forage plant seed when the amount is not over \$10,000, of forest-tree nursery stock when the amount is not over \$500, and of certain research materials with a \$50,000-a-year limit; authorizes Forest Service to contract for aerial facilities and services, with renewal provisions, in connection with forest management (presently authority is only for forest-fire protection); broadens the authority to permit performance of various kinds of work by the Forest Service, at the expense of interested parties, on national forest and related lands; broadens the Forest Service authority regarding deposits for brush and debris disposal; authorizes the Secretary to permit use of Forest Service structures, improvements, and related land by non-Government organizations and individuals for periods not over 30 years at rates determined by him; authorizes the furnishing of meals, lodging, etc., to persons attending Forest Service demonstrations and users of national forest resources and recreation facilities in certain situations; provides for selling at cost any available forest tree seed and nursery stock to any State or subdivision unable to procure or produce sufficient supplies; permits payment for telephones in residences of seasonal employees and cooperators when this is needed to protect the forests; authorizes rescinding of non-national forest land under certain conditions; permits certain Forest Service appropri-

1946, we are submitting herewith a statement of our views concerning H. R. 5590, a bill "to provide for the uniform administration of efficiency ratings."

This bill is designed to extend the same principles which govern efficiency ratings for employees in positions subject to the pay scales of the Classification Act, as amended, to all other efficiency rating plans for civilian employees in the executive branch of the Federal Government. In effect, if this bill is enacted into law, the Civil Service Commission would be empowered to review and revise such efficiency rating plans as are used in any department or agency in rating civilian employees, every employee who is rated would be advised of his rating and could inspect the lists of final ratings of his coworkers, action adverse to any employee based on efficiency ratings would be subject to the approval of the Civil Service Commission, and each employee would be entitled to appeal his rating to an impartial board of review. It would eliminate confusion in many offices and field stations where some employees now enjoy the protective features provided by the Classification Act, as amended, in connection with their efficiency ratings, while the same protective features are denied to other employees whose pay rates are not subject to the Classification Act. It would aid the Commission in guarding the preferential status of war veterans under the Veterans' Preference Act of 1944.

The Commission has frequently noted the increasing number of complaints concerning various types of rating systems used for rating the service, performance, or efficiency of civilian employees in positions excluded from the provisions of the Classification Act, as amended. This is particularly true during a period of drastic personnel readjustment such as that which now faces many Government agencies which are obliged to reabsorb a steady stream of returning war veterans while curtailing forces from a wartime to a peacetime basis. The most serious complaints are received from employees whose compensation rates are fixed by local wage boards and which constitute the largest group of employees who would be affected by this bill. Another large group of employees that would be affected, if placed under an efficiency rating plan, would be those in the field services of the Post Office Department. Serious consideration has been given to recommending to the Congress the enactment of legislation substantially similar to H. R. 5590 and the Commission has delayed making such recommendation on its own motion for the sole reason that it would require a substantial addition in appropriations to properly administer such a provision of law.

We believe that the proposed legislation would be desirable in order that we could focus greater attention on standards of performance as a means of increasing efficiency in the Federal Government service, and also to afford greater protection to employees who feel that they are penalized by arbitrary and unfair efficiency ratings. We think the subject is of sufficient importance that regulations published under authority of the legislation, if enacted, should have the approval of the President. This could be accomplished by inserting a comma after the word "authorized" on line 11, and adding immediately thereafter the phrase "with the approval of the President." With this amendment, the Commission recommends that this bill be enacted into law.

The Commission has not been advised of the relationship of the proposed legislation to the program of the President.

By direction of the Commission.

Sincerely yours,

HARRY B. MITCHELL,
President.

The SPEAKER. The question is on the amendment offered by the gentleman from Washington to the committee amendment.

The amendment to the committee amendment was agreed to.

The SPEAKER. The question is on the committee amendment as amended.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 2523) to provide for lump-sum payment of compensation for accumulated annual leave and current accrued annual leave to certain officers and employees, and authorizing the appropriation of funds for that purpose.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. REES of Kansas. Reserving the right to object, Mr. Speaker, may I ask that the chairman of the committee explain this legislation?

Mr. RANDOLPH. This bill is reported unanimously from the Committee on the Civil Service. It would provide a lump-sum payment for accumulated and accrued annual leave to employees of the Bituminous Coal Division of the Department of the Interior. We understand that that Division is no longer in existence. Enough of its employees would be covered under this legislation to make the cost of putting it into effect approximately \$17,000. We felt it was an oversight that they had not been given the benefits that others have received. For that reason, we thought this was remedial legislation. That is the purpose of its being reported at this time.

Mr. REES of Kansas. Mr. Speaker, I withdraw my reservation of objection.

Mr. PACE. Reserving the right to object, Mr. Speaker, while the group in this situation is being taken care of, why can we not have some legislation about those civil-service employees who after 2 or 3 years of service terminate their employment and cannot get a refund of the payments made to the retirement fund?

There are thousands, probably hundreds of thousands, of employees who were war-service appointees during the war and whose employment has been terminated. They have from \$5 to \$50 or more in the retirement fund. Many of them are from my congressional district or from my State, and I presume they come from every other State. Many of these employees have been seeking for a year now to get the deposits they made with the retirement fund but have been unable to get them. The gentleman has presented here legislation to take care of a particular group in a certain part of the Government. I am trying to call the gentleman's attention to a group that is in every department of the Government. When a war-service employee terminates his service he has to file an application for his retirement-fund payment. That has to be sent right back down to his place of employment for a record of the amount due him.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. REES of Kansas. That is a problem that is very bad and is growing worse. I agree with the gentleman as to that. It is one of those problems we have in Government where we have a terrific amount of red tape to go through in order to get anything done. We have had two pieces of legislation that I know of to try to help solve that problem. The committee does have that under consideration now and we are trying to figure out some way we can solve that by legislation much simpler than this. Because so many people have been displaced during wartime there are hundreds of thousands of individuals who want their money and they are way behind in that work. I do not know whether we need more employees to get a good job done or not.

Mr. PACE. I would not have brought the question up now but I see here two bills, one to take care of a particular group in the navy yards and one to take care of a particular group in the Bituminous Coal Commission. I have no criticism to make of the distinguished chairman of the committee or the ranking minority member but I did think it was timely to bring to the attention of the committee the fact that there are thousands of employees in every department sitting by after having lost their jobs. They need this little money and I hope it can be arranged for them to get it.

Mr. RANDOLPH. What the distinguished gentleman from Georgia says is true. We are not critical of him for directing our attention to this as a committee. We are working on it, and I trust we may bring out legislation which will satisfy those who are in need of this sum of money.

Mrs. ROGERS of Massachusetts. I do not know whether it has been the experience of the gentleman, but it has been my experience that many veterans have a hard time trying to secure positions in the Post Office Department. Many of them have not been notified when the examinations are to take place. I do not know whether that is true all over the country but I know it is frequently true in Massachusetts. There has been a great injustice done to the veteran.

Mr. DONDERO. I notice the report speaks of a lump sum necessary to carry out the purpose of this bill. What would the amount be in total?

Mr. RANDOLPH. Approximately \$17,000. I believe that is the correct figure, but if it is not exactly correct, I will correct it for the RECORD—\$17,036.10. Under the provisions of the bill, in order to be entitled to payment, employees must file notice of election to receive such payment within 180 days after the enactment of the bill into law. The amount due the officer or employee is to be certified by the Department of the Interior. The benefits of the bill are limited to those officers and employees who have not been at the time of filing their notice to elect such compensation, granted, credited with, or compensated for the accumulated or accrued annual leave due them immediately prior to the expiration of the Coal Act.

Mr. Speaker, before I take my seat I desire to say that when we had House

Joint Resolution 380 before us earlier in the day I did not take the opportunity at that time to explain the reasons for the passage of the legislation. We found upon the request of the Secretary of the Treasury, also upon the request of the Bureau of Internal Revenue, that we should raise the ceilings in connection with the Internal Revenue Bureau because the Bureau felt that we would lose in collection of the so-called black-market money and illicit withholding of justifiable taxes more than a billion dollars if we cut off the rolls these Internal Revenue Bureau agents who have been specifically trained. In other words, it would disrupt this program of getting into the hands of the Government this huge sum of money if we attempted to save some \$10,000,000 in salaries. Mr. Speaker, I did want the RECORD to show that.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That any officer or employee who was involuntarily separated from the active service of the United States of America as a result of the expiration of the Bituminous Coal Act of 1937 (50 Stat. 72), as amended, and who has not been granted, credited with, or compensated for all accumulated or current accrued annual leave due him immediately prior to the date of expiration of said act shall be entitled to receive compensation in lump-sum payment for the leave not so granted, credited, or compensated for upon filing a notice of his election to receive compensation in lump-sum payment for such leave with the Department of the Interior, Washington, D. C., within 180 days following the enactment of this act. Upon notification of such election the amount due such officer or employee shall be determined and certified by the Department of the Interior, and paid out of any appropriation currently available for salaries under the Department of the Interior, or appropriated for the purposes of this act, which appropriation is hereby authorized to be made.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESEARCH IN AGRICULTURE

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6932) to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. JENKINS. Mr. Speaker, reserving the right to object, and I shall not object, I take this time to compliment the distinguished chairman of the Committee on Agriculture and those who have been associated with him in formulating this legislation. I have had occasion to give it a great deal of thought and attention. I think it is worthy of the vote of every Member of this body, because it has for its purpose the best interests of the American people and the great industry that we call agriculture. It has for its purpose the best interests

of the consumers of this country. It should be passed without any opposition.

Mr. Speaker, this bill originated in the Republican congressional food study committee. It puts into statute a program that was outlined and reduced to writing by reason of the studies made by the committee to which I referred. The distinguished gentleman from Kansas [Mr. HOPE] and the distinguished gentleman from Minnesota [Mr. H. CARL ANDERSEN] have been very active in their advocacy of this bill. I and several others of that committee have also advocated this legislation very actively, and I should not fail to say that the distinguished gentleman from Virginia [Mr. FLANNAGAN], the chairman of the Agriculture Committee of the House, has done a fine job in introducing this bill as the chairman of the Agriculture Committee. Without his aid this bill could not have been advanced to this advantageous position where it is about to pass this Congress.

(Mr. JENKINS asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Speaker, reserving the right to object, I am in accord with what the distinguished gentleman from Ohio just said in regard to this legislation. I am heartily in favor of it.

Mr. Speaker, I withdraw my reservation of objection.

Mr. SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. FLANNAGAN]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc.,—

TITLE I

Title I of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act), is amended as follows:

(1) By substituting for section 1, title I, the following section:

"SECTION 1. It is hereby declared to be the policy of the Congress to promote the efficient production and utilization of products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agriculture and rural life as indispensable to the maintenance of full employment and national prosperity. It is also the intent of Congress to assure agriculture a position in research equal to that of industry which will aid in maintaining an equitable balance between agriculture and other sections of our economy. For the attainment of these objectives, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the laws and principles underlying the basic problems of agriculture in its broadest aspects, including but not limited to: Research relating to the improvement of the quality of, and the development of new and improved methods of the production, marketing, distribution, processing, and utilization of plant and animal commodities at all stages from the original producer through to the ultimate consumer; research into the problems of human nutrition and the nutritive value of agricultural commodities, with particular reference to their content of vitamins, minerals, amino and fatty acids, and all other constituents that may be found necessary for the health of the consumer and to the gains or losses

in nutritive value that may take place at any stage in their production, distribution, processing, and preparation for use by the consumer; research relating to the development of present, new, and extended uses and markets for agricultural commodities and by-products as food or in commerce, manufacture, or trade, both at home and abroad, with particular reference to those foods and fibers for which our capacity to produce exceeds or may exceed existing economic demand; research to encourage the discovery, introduction, and breeding of new and useful agricultural crops, plants, and animals, both foreign and native, particularly for those crops and plants which may be adapted to utilization in chemical and manufacturing industries; research relating to new and more profitable uses for our resources of agricultural manpower, soils, plants, animals and equipment than those to which they are now, or may hereafter be, devoted; research relating to the conservation, development, and use of land, forest, and water resources for agricultural purposes; research relating to the design, development, and the more efficient and satisfactory use of farm buildings, farm homes, farm machinery, including the application of electricity and other forms of power; research relating to the diversification of farm enterprises, both as to the type of commodities produced, and as to the types of operations performed, on the individual farm; research relating to any other laws and principles that may contribute to the establishment and maintenance of a permanent and effective agricultural industry, including such investigations as have for their purpose the development and improvement of the rural home and rural life, and the maximum contribution by agriculture to the welfare of the consumer and the maintenance of maximum employment and national prosperity; and such other researches or experiments bearing on the agricultural industry or on rural homes of the United States as may in each case be deemed advisable, having due regard to the varying conditions and needs of Puerto Rico, the respective States, and Territories. In effectuating the purposes of this section, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations and of the facilities of the Federal and State extension services. Research authorized under this section shall be in addition to research provided for under existing law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish."

(2) By adding at the end thereof the following new sections:

"SEC. 9. (a) An order to carry out further the purposes of section 2 of this title, there is hereby authorized to be appropriated in addition to all other appropriations authorized by this title the following sums:

"(1) \$2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

"(2) An additional \$2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

"(3) An additional \$5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

"(4) An additional \$5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

"(5) An additional \$5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

"(6) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

"The moneys appropriated in pursuance of this title shall also be available for the purchase and rental of land and the construc-

tion or acquisition of buildings necessary for conducting research provided for in this title, for the equipment and maintenance of such buildings, and for printing and disseminating the results of research. Sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available for agricultural experiment stations. The said agricultural experiment stations are authorized to plan and conduct any research provided for under this title in cooperation with each other and such other appropriate agencies and individuals as may contribute to the solution of these problems and sums appropriated in pursuance of this title shall be available to meet the necessary expenses of such research.

"Unexpended balances of allotments to experiment stations from appropriations made under this section during the first five fiscal years may remain available for expenditure by the same experiment stations at which the unexpended balances occurred for the purposes specified in section 1 and for the following periods: Unexpended balances of the first year's allotments, 5 years; of the second fiscal year's allotments, 4 years; of the third fiscal year's allotments, 3 years; of the fourth fiscal year's allotments, 2 years; and of the fifth fiscal year's allotments, 1 year; and any unexpended balances of allotments to any experiment stations from appropriations made under this section of any subsequent fiscal year shall be deducted from the next succeeding annual allotments to such experiment stations.

"(b) Not less than 97 percent of the sums appropriated for any fiscal year under this section shall be available for the purposes of section 2 to be allotted to Puerto Rico, each State and Territory as follows:

"(1) Twenty percent of the sums appropriated for any fiscal year under this section shall be allotted equally to Puerto Rico, each State and Territory: *Provided*, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico or the State or Territory makes available for such fiscal year out of its own funds, for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

"(2) Not less than 52 percent of the sums appropriated for any fiscal year under this section shall be allotted to Puerto Rico, each State and Territory as follows: One-half in an amount which bears the same ratio to the total amount to be allotted as the rural population of Puerto Rico or the State or Territory bears to the total rural population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census; and one-half in an amount which bears the same ratio to the total amount to be allotted as the farm population of Puerto Rico or the State or Territory bears to the total farm population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census: *Provided*, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico, or the State or Territory makes available for such fiscal year out of its own funds for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

"(3) Not more than 25 percent of the sums appropriated for any fiscal year under this section shall be allotted to the States for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State. The funds available for such purposes shall be designated as the 'Regional research fund, Office of Experiment Stations' and shall be used only for cooperative regional projects recommended by a committee of nine persons elected by and representing the directors of the State agricultural experiment stations and approved by the Secretary of Agriculture or his authorized representative. The necessary travel expense of said committee of nine in performance of their duties may be paid from the regional research fund, Office of Experiment Stations, provided for under this subsection.

"(c) Three percent of the sums appropriated for any fiscal year under this section shall be available to the Office of Experiment Stations of the United States Department of Agriculture for administration of research under this section, including participation in planning and coordinating the cooperative regional research."

"SEC. 10. (a) In order to carry out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities and products thereof authorized by section 1 of this title, and to disseminate information relative thereto, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated the following sums:

"(1) \$3,000,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

"(2) An additional \$3,000,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

"(3) An additional \$3,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

"(4) An additional \$3,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

"(5) An additional \$3,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

"(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

"The Secretary of Agriculture, in accordance with such regulations as he deems necessary, and when in his judgment the work to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture, may enter into contracts with such public or private organizations or individuals as he may find qualified to carry on work under this section without regard to the provisions of section 3709, Revised Statutes, and with respect to such contracts he may make advance progress or other payments without regard to the provisions of section 3648, Revised Statutes. Contracts hereunder may be made for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. Research authorized under this subsection shall be conducted so far as practicable, at laboratories of the Department of Agriculture. Projects conducted under contract with pub-

lic and private agencies shall be supplemental to and coordinated with research of these laboratories. Any contracts made pursuant to this authority shall contain requirements making the results of research and investigations available to the public through dedication, assignment to the Government, or such other means as the Secretary shall determine.

"(b) In order to carry out further the purposes of section 1, other than research on utilization of agricultural commodities and the products thereof, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated for cooperative research with the State agricultural experiment stations and such other appropriate agencies as may be mutually agreeable to the Department of Agriculture and the experiment stations concerned, the following sums:

"(1) \$1,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

"(2) An additional \$1,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

"(3) An additional \$1,500,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

"(4) An additional \$1,500,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

"(5) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1951, and thereafter, as the Congress may deem necessary.

"(c) The Secretary may incur necessary administrative expenses not to exceed 3 percent of the amount appropriated in any fiscal year in carrying out this section, including the specific objects of expense enumerated in section 3 of this title.

"(d) The 'Special research fund, Department of Agriculture,' provided by section 4 of this title, shall continue to be available solely for research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to the improvement of the quality of, and the development of, new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and byproducts and manufacturers thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes. Such research shall be in addition to research provided for under other law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary of Agriculture may designate or establish.

"SEC. 11. Notwithstanding any other provision of this title, (1) not less than 20 percent of the funds authorized to be appropriated under section 9 (a) shall be used by State agricultural experiment stations for conducting marketing research projects approved by the Department of Agriculture, and (2) cooperative research projects provided for under sections 9 (a) (3) and 10 (b) shall be carried out under cooperative agreements between the Secretary of Agriculture and the cooperating agencies and shall include appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Should duplication or overlapping occur subsequent to approval of a cooperative research project, the Secretary of Agriculture is authorized and directed to withhold unexpended balances on such projects notwithstanding the prior approval thereof. The Secretary of Agriculture shall include in his annual report to Congress a complete statement of research work being performed under contracts or cooperative agreements under this

title, showing the names of the agencies co-operating and the amounts expended thereon, segregated by Federal and non-Federal funds."

TITLE II

This title may be cited as the "Agricultural Marketing Act of 1946."

SEC. 202. The Congress hereby declares that a sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation. It is further declared to be the policy of Congress to promote through research, study, experimentation, and through cooperation among Federal and State agencies, farm organizations, and private industry a scientific approach to the problems of marketing, transportation, and distribution of agricultural products similar to the scientific methods which have been utilized so successfully during the past 84 years in connection with the production of agricultural products so that such products capable of being produced in abundance may be marketed in an orderly manner and efficiently distributed. In order to attain these objectives, it is the intent of Congress to provide for (1) continuous research to improve the marketing, handling, storage, processing, transportation, and distribution of agricultural products; (2) cooperation among Federal and State agencies, producers, industry organizations, and others in the development and effectuation of research and marketing programs to improve the distribution processes; (3) an integrated administration of all laws enacted by Congress to aid the distribution of agricultural products through research, market aids and services, and regulatory activities, to the end that marketing methods and facilities may be improved, that distribution costs may be reduced and the price spread between the producer and consumer may be narrowed, that dietary and nutritional standards may be improved, that new and wider markets for American agricultural products may be developed, both in the United States and in other countries, with a view to making it possible for the full production of American farms to be disposed of usefully, economically, profitably, and in an orderly manner. In effectuating the purposes of this title, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations and of the facilities of the Federal and State extension services.

SEC. 203. The Secretary of Agriculture is directed and authorized:

(a) To conduct, assist, and foster research, investigation, and experimentation to determine the best methods of processing, preparation for market, packaging, handling, transporting, storing, distributing, and marketing agricultural products: *Provided*, That the results of such research shall be made available to the public for the purpose of expanding the use of American agricultural products in such manner as the Secretary of Agriculture may determine.

(b) To determine costs of marketing agricultural products in their various forms and through the various channels and to foster and assist in the development and establishment of more efficient marketing methods (including analyses of methods and proposed methods), practices, and facilities, for the purpose of bringing about more efficient and orderly marketing, and reducing the price spread between the producer and the consumer.

(c) To develop and improve standards of quality, condition, quantity, grade, and packaging, and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices;

(d) To conduct, assist, foster, and direct studies and informational programs designed to eliminate artificial barriers to the free movement of agricultural products.

(e) To foster and assist in the development of new markets and new uses and in the moving of larger quantities of agricultural products through the private marketing system to consumers in the United States and elsewhere.

(f) To conduct and cooperate in consumer education for the more effective utilization and greater consumption of agricultural products: *Provided*, That no mone appropriated under the authority of this act shall be used to pay for newspaper or periodical advertising space or radio time in carrying out the purposes of this section and section 203 (e).

(g) To collect and disseminate marketing information, including adequate outlook information on a market-area basis, for the purpose of anticipating and meeting consumer requirements, aiding in the maintenance of farm income, and bringing about a balance between production and utilization of agricultural products.

(h) To inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in interstate commerce, under such rules and regulations as the Secretary of Agriculture may prescribe, including assessment and collection of such fees as will be reasonable and as nearly as may be to cover the cost of the service rendered, to the end that agricultural products may be marketed to the best advantage, that trading may be facilitated, and that consumers may be able to obtain the quality product which they desire, except that no person shall be required to use the service authorized by this subsection. Any official certificate issued under the authority of this subsection shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the statements therein contained.

(i) To determine the needs and develop or assist in the development of plans for efficient facilities and methods of operating such facilities for the proper assembly, processing, transportation, storage, distribution, and handling of agricultural products.

(j) To assist in improving transportation services and facilities and in obtaining equitable and reasonable transportation rates and services and adequate transportation facilities for agricultural products and farm supplies by making complaint or petition to the Interstate Commerce Commission, the Maritime Commission, the Civil Aeronautics Board, or other Federal or State transportation regulatory body with respect to rates, charges, tariffs, practices, and services, or by working directly with individual carriers or groups of carriers.

(k) To collect, tabulate, and disseminate statistics on marketing agricultural products, including, but not restricted to statistics on market supplies, storage stocks, quantity quality, and condition of such products in various positions in the marketing channel, utilization of such products, and shipments and unloads thereof.

(l) To develop and promulgate, for the use and at the request of any Federal agency or State, procurement standards and specifications for agricultural products, and submit such standards and specifications to such agency or State for use or adoption for procurement purposes.

(m) To conduct, assist, encourage, and promote research, investigation, and experimentation to determine the most efficient and practical means, methods, and processes for the handling, storing, preserving, protecting, processing, and distributing of agricultural commodities to the end that such commodities may be marketed in an orderly manner and to the best interest of the producers thereof.

(n) To conduct such other research and services and to perform such other activities as will facilitate the marketing, distribution, processing, and utilization of agricultural products through commercial channels.

SEC. 204. (a) In order to conduct research and service work, in connection with the preparation for market, processing, packaging, handling, storing, transporting, distributing, and marketing of agricultural products as authorized by this title, there is hereby authorized to be appropriated the following sums:

(1) \$2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional \$2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

(3) An additional \$5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

(4) An additional \$5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) An additional \$5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

Such sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available to the Department of Agriculture.

(b) The Secretary of Agriculture is authorized to make available from such funds such sums as he may deem appropriate for allotment to State departments of agriculture, State bureaus and departments of markets, State agricultural experiment stations, and other appropriate State agencies for cooperative research projects in marketing to effectuate the purposes of title II of this act: *Provided*, That no such allotment and no payment under any such allotment shall be made for any fiscal year to any State agency in excess of the amount which such State agency makes available out of its own funds for such research. The funds which State agencies are required to make available in order to qualify for such an allotment shall be in addition to any funds now available to such agencies for marketing research. The allotments authorized under this section shall be made to the agency or agencies best equipped and qualified to conduct the specific research project to be undertaken. Such allotments shall be covered by cooperative agreements between the Secretary of Agriculture and the cooperating agency and shall include appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Should duplication or overlapping occur subsequent to approval of a cooperative research project or allotment of funds, the Secretary of Agriculture is authorized and directed to withhold unexpended balances on such projects notwithstanding the prior approval thereof.

SEC. 205. (a) In carrying out the provisions of title II of this act, the Secretary of Agriculture may cooperate with other branches of the Government, State agencies, private research organizations, purchasing and consuming organizations, boards of trade, chambers of commerce, other associations of business or trade organizations, transportation and storage agencies and organizations, or other persons or corporations engaged in the production, transportation, storing, processing, marketing, and distribution of agricultural products whether operating in one or more jurisdictions. The Secretary of Agriculture shall have authority to enter into contracts and agreements under the terms of regulations promulgated by him with States and agencies of States, private

firms, institutions, and individuals for the purpose of conducting research and service work, making and compiling reports and surveys, and carrying out other functions relating thereto when in his judgment the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. Contracts hereunder may be made for work to be performed within a period not more than 4 years from the date of any such contract, and advance, progress, or other payments may be made. The provisions of section 3648 (31 U. S. C., sec. 529) and section 3709 (41 U. S. C., sec. 5) of the Revised Statutes shall not be applicable to contracts or agreements made under the authority of this section. Any unexpended balances of appropriations obligated by contracts as authorized by this section may, notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C., sec. 713), remain upon the books of the Treasury for not more than 5 fiscal years before being carried to the surplus fund and covered into the Treasury. Any contract made pursuant to this section shall contain requirements making the result of such research and investigations available to the public by such means as the Secretary of Agriculture shall determine.

(b) The Secretary of Agriculture shall promulgate such orders, rules, and regulations as he deems necessary to carry out the provisions of this title. In his annual report to Congress, he shall include a complete statement of research work being performed under contracts or cooperative agreements under this title, showing the names of the agencies cooperating and the amounts expended thereon, segregated by Federal and non-Federal funds.

SEC. 206. In order to facilitate administration and to increase the effectiveness of the marketing research, service, and regulatory work of the Department of Agriculture to the fullest extent practicable, the Secretary of Agriculture is authorized, notwithstanding any other provisions of law, to transfer, group, coordinate, and consolidate the functions, powers, duties, and authorities of each and every agency, division, bureau, service, section, or other administrative unit in the Department of Agriculture primarily concerned with research, service, or regulatory activities in connection with the marketing, transportation, storage, processing, distribution of, or service or regulatory activities in connection with, the utilization of, agricultural products, into a single administrative agency. In making such changes as may be necessary to carry out effectively the purposes of this title, the records, property, personnel, and funds of such agencies, divisions, bureaus, services, sections, or other administrative units in the Department of Agriculture affected thereby are authorized to be transferred to and used by such administrative agency to which the transfer may be made, but such unexpended balances of appropriations so transferred shall be used only for the purposes for which such appropriations were made.

SEC. 207. When used in this title, the term "agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock and poultry, bees, forest products, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured product thereof.

SEC. 208. The Secretary of Agriculture shall have the power to appoint, remove, and fix, in accordance with existing law, the compensation of such officers and employees, and to make such expenditures as he deems necessary, including expenditures for rent outside the District of Columbia, travel, supplies, books, equipment, and such other expenditures as may be necessary to the admin-

istration of this title: *Provided*, That the Secretary of Agriculture may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed 6 months in any fiscal year to perform research, inspection, classification, technical, or other special services, without regard to the civil-service laws or the Classification Act of 1923, as amended.

TITLE III

SEC. 301. In order to aid in implementing the research and service work authorized under titles I and II of this act, and to assist in obtaining the fullest cooperation among Federal and State agencies, producers, farm organizations, and private industry, in the development of and in effectuating such research and service programs, and in order to secure the greatest benefit from the expenditure of funds, the Secretary of Agriculture shall establish a national advisory committee. The functions of such advisory committee shall be to consult with the Secretary of Agriculture and other appropriate officials of the Department of Agriculture, to make recommendations relative to research and service work authorized by this act, and to assist in obtaining the cooperation of producers, farm organizations, industry groups, and Federal and State agencies in the furtherance of such research and service programs. The membership of such advisory committee shall consist of the following: One person from each of the general national farm organizations; one person from the National Association of Commissioners, Secretaries, and Directors of Agriculture; one person from the National Association of Marketing Officials; one person to represent State agricultural experiment stations, one person to represent State extension services, to be selected by the groups which each is to represent. For each of the following commodity groups: Fruits, vegetables, and nuts; livestock and wool; grains; cotton; tobacco; dairy products; forest products; and poultry and poultry products; the Secretary shall appoint two persons to represent producers, one person to represent distributors, and one person to represent processors. The Secretary shall also appoint two persons to represent retailers. In the selection of such members, due consideration shall be given to recommendations of the groups to be represented, and the representatives of producers shall be so selected as to afford cooperative associations of producers with adequate representation. One representative from the Department of Commerce, to be selected by the Secretary of Commerce, and one representative from the Interstate Commerce Commission, to be designated by the Chairman of the Commission, and such officials of the Department of Agriculture as the Secretary of Agriculture may designate shall be ex officio members. The chairman of the committee shall be the Secretary of Agriculture or such other official of the Department of Agriculture as he shall designate. The committee shall meet at least once each year at the call of the chairman or of the executive committee. In order to facilitate the work of such advisory committee and to increase its effectiveness, an executive committee of 11 members, 6 of whom shall be representatives of producers or their organizations, shall be created by and from the membership of such advisory committee. The executive committee shall meet at least once each quarter and at such other times as are deemed necessary. Members of such advisory or executive committees may not appoint alternates to serve in their stead. Committee members other than the ex officio members shall not be deemed to be employees of the United States and are not entitled to compensation, but the Secretary of Agriculture is authorized to allow their traveling and subsistence expenses necessary in con-

nection with the attendance at meetings called by him for the purposes of this section.

SEC. 302. In the furtherance of the research and service work authorized by this act, the Secretary of Agriculture may, in addition to the national advisory committee, establish appropriate committees, including representatives of producers, industry, government, and science, to assist in effectuating specific research and service programs.

With the following committee amendments:

On page 4, line 19, add a period at the end of line 19.

On page 4, strike out lines 20 and 21.

The committee amendment was agreed to.

(Mr. FLANNAGAN asked and was given permission to revise and extend his remarks.)

Mr. FLANNAGAN. Mr. Speaker, the legislation under consideration, H. R. 6932, to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products, is a step in the right direction, and a step that should have been taken years ago.

In the beginning let me state that the word "research" as used in the bill is not restricted, as some would think, to the laboratory where scientists prove that two plus two make four, but is used in its broadest sense to cover every activity in connection with agriculture from the soil in which products grow until the products of the soil, whether in their original or processed state, reach the consumer.

Briefly stated, the bill, through research, attempts to give all phases of agriculture the opportunity of growing and developing along the line that has made industry in America so efficient and successful. We have realized for years that the dynamo back of the great industrial empire we have built up in America is industrial research. This bill is an attempt to put the same kind of dynamo back of agriculture.

That we are woefully behind in a scientific approach to our agricultural problems is beyond cavil. The whole tale is graphically told by comparing industrial research funds with agricultural research funds. The picture, as well as I have been able to put it together, is this:

FUNDS FOR INDUSTRIAL RESEARCH

The last figures I have been able to find are for the year 1940. I have been unable to find any figures for the war years, though everyone concedes that amounts spent on industrial research during the war years soared to astronomical heights. For instance, during the year 1944 the Federal Government spent on research in connection with the war effort \$719,813,000.

The industrial research figures for 1940 follow:

(a) Spent by industry on research.....	\$234, 000, 000
(b) Spent by research institutes endowed by industry	10, 659, 000
(c) Spent by universities and colleges on industrial research	24, 601, 000
Total.....	269, 260, 000

AGRICULTURAL RESEARCH

The estimated figures of the Department of Agriculture for agricultural research for the year 1946 are as follows:

(a) Research funds available for 1946	\$24,716,000
(b) Payments by U. S. Department of Agriculture to State Experiment stations	7,206,000
(c) Non-Federal funds of State experimental stations	21,030,778
Total	53,002,778

It is doubtful, extremely doubtful, if all of the above funds can be properly charged to agricultural research, as it has been very hard to segregate from the appropriations to the Department of Agriculture the funds that actually go to research. Of these funds, only \$4,450,000 are set aside for the four regional agricultural research laboratories provided for under the act of 1933. And, also, of these funds only \$1,193,000 go to the special agricultural research work provided for in the Bankhead-Jones Act of 1935, which is amended by title I of the bill under consideration, and of the \$1,930,000 of Bankhead-Jones funds only \$65,400 are set aside for agricultural marketing research.

To give you some idea just how far behind we are in the field of agricultural research, and the enormous task that confronts us, let me take, for example, tobacco, which, as every one knows, is the only agricultural product that is taxed, the Federal revenue from which for the fiscal year ending June 30, 1946 amounting to \$1,165,900,000 and the income from which to the American farmers amounting to \$851,000,000—and what I say with respect to tobacco is true with respect to every other agricultural product—and what do we find? We find that practically no research work on tobacco has been done by the Government. The only work to amount to anything that has been done by the Government is at the Oxford Experiment Station at Oxford, N. C., and here we find that the Government only contributed for the year 1945 the paltry sum of \$34,450.

Contrast our tobacco research record—and we are the greatest tobacco producing Nation on earth, producing last year 1,997,608,000 pounds—with the tobacco research record in other nations and we begin to realize just how far behind we are in agricultural research work.

With respect to tobacco research in other countries the record shows:

(a) In 1939 Germany, with a tobacco production of only 7,000,000 pounds, had five or six tobacco research laboratories in the Rhine Valley staffed by some 20 competent investigators.

(b) From 1920 to 1939 Russia was doing more tobacco research in the Ukraine than is being done in America.

(c) India, that produces a lot of tobacco, some 900,000,000 pounds of low-grade tobacco principally for native consumption, but whose climate and soil are capable of producing a tobacco comparable to the flue-cured American tobacco, is embarking upon a \$1,000,000 per year tobacco research program.

(d) Canada, that only a few years ago imported large quantities of American tobacco, through research and investigation has found that she can produce good tobacco, and today is producing at the rate of 100,000,000 pounds per year, a poundage sufficient to take care of her home consumption plus an export business, principally to England, of 15,000,000 pounds.

While I do not have the figures, it is a well-known fact that other countries are engaged in extensive research study of tobacco. The unvarnished truth with respect to tobacco, and what I say applies to many other farm products, is this: Unless we put on an intensive campaign covering tobacco—first, production; second, utilization; and third, marketing; we are going to wake up some fine morning and find out that we have lost, to say the least, a great deal of our export business.

Now, while I am on tobacco, let me point out a few of the important and imperative things we would be able to do under the bill for tobacco:

(a) Production: We know a great deal about producing tobacco, probably more than any other nation in the world, but we do not know enough.

To begin with, tobacco still suffers from many diseases, the most prevalent at this time being black shank, knot root, and blue mold. We have got to conquer these diseases, and if we go about the matter in the right way it will not take us 40 years, as it did with Greenville wilt, to work out the prescription.

We have got to produce better tobacco. The percentage of sorry tobacco in each crop is too great. The only way to hold our export trade is by producing a little better tobacco than other countries. It is going to take a lot of research and experimentation to raise our percentage of good tobacco in each crop.

We have got to reduce the cost of producing tobacco if we stay in the competitive foreign market. This bill would provide the funds with which to find the answer.

(b) Utilization: We should explore the field of new usages for tobacco. As a matter of fact, much work remains to be done on improving present usages. For instance, a great deal of work should be done on extracting nicotine from tobacco. The possibilities in this field are unlimited.

(c) Marketing: Our tobacco marketing system needs to be improved all the way along the line from curing and preparing for marketing to the actual selling of the tobacco. Then, too, we need to do a great deal of work on developing our foreign markets.

The research activities provided for in the bill may be grouped under three general heads, namely: one, production research; two, utility research; and three, marketing research.

Title I of the bill deals primarily with production and utility research.

Title II of the bill deals exclusively with marketing research.

TITLE I

Title I amends the act of June 29, 1935, commonly known as the Bankhead-

Jones Act, by broadening the authority of the act so as to include additional research on all types of farm problems. The declared policy of Congress, as expressed in this title, is "to promote the efficient production and utilization of products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agricultural and rural life as indispensable to the maintenance of full employment and national prosperity."

The intent of Congress is expressed in these words:

It is also the intent of Congress to assure agriculture a position in research equal to that of industry which will aid in maintaining an equitable balance between agriculture and other sections of our economy. For the attainment of these objectives, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the laws and principles underlying the basic problems of agriculture in its broadest aspects, including but not limited to: Research relating to the improvement of the quality of, and the development of new and improved methods of the production, marketing, distribution, processing, and utilization of plant and animal commodities at all stages from the original producer through to the ultimate consumer; research into the problems of human nutrition and the nutritive value of agricultural commodities, with particular reference to their content of vitamins, minerals, amino and fatty acids, and all other constituents that may be found necessary for the health of the consumer and to the gains or losses in nutritive value that may take place at any stage in their production, distribution, processing, and preparation for use by the consumer; research relating to the development of present, new, and extended uses and markets for agricultural commodities and byproducts as food or in commerce, manufacture, or trade, both at home and abroad, with particular reference to those foods and fibers for which our capacity to produce exceeds or may exceed existing economic demand; research to encourage the discovery, introduction, and breeding of new and useful agricultural crops, plants, and animals, both foreign and native, particularly for those crops and plants which may be adapted to utilization in chemical and manufacturing industries; research relating to new and more profitable uses for our resources of agricultural manpower, soils, plants, animals, and equipment than those to which they are now, or may hereafter be devoted; research relating to the conservation, development, and use of land, forest, and water resources for agricultural purposes; research relating to the design, development, and the more efficient and satisfactory use of farm buildings, farm homes, farm machinery, including the application of electricity and other forms of power; research relating to the diversification of farm enterprises, both as to the type of commodities produced, and as to the types of operations performed, on the individual farm; research relating to any other laws and principles that may contribute to the establishment and maintenance of a permanent and effective agricultural industry, including such investigations as have for their purpose the development and improvement of the rural home and rural life, and the maximum contribution by agriculture to the welfare of the consumer and the maintenance of maximum employment and national prosperity; and such other researches or experiments bearing on the agricultural industry or on rural homes of the United States as may in each case be deemed advisable, having due regard to the varying conditions and needs of Puerto Rico, the respective States, and Territories.

Three separate appropriations are authorized under this title as follows:

1. PRODUCTION RESEARCH

(a) Section 9 (a): Under this section the money goes to the State experiment stations for agricultural research work, the emphasis being placed on production problems, but 20 percent of the funds must be used for marketing.

The authorization is as follows:

1947-----	\$2,500,000
1948-----	5,000,000
1949-----	10,000,000
1950-----	15,000,000
1951 and each year thereafter---	20,000,000

In addition to the \$20,000,000 beginning with the fiscal year ending June 30, 1952, such sums as Congress may deem necessary.

These funds, as I have stated, go to the State experiment stations and are distributed as follows:

	Percent
(a) For equal allotment to each State and Puerto Rico on a 50-50 matching basis-----	20
(b) For allotment to each State and Puerto Rico on a 50-50 matching basis, one half on basis of farm population and one half on basis of rural population-----	52

	Percent
(c) For allotment to the States for cooperative research on regional problems-----	25
(d) For administrative expenses of Office of Experiment Stations, Department of Agriculture-----	3

Total ----- 100

The break-down of the 52 percent of one-half on the basis of farm and one-half on the basis of rural population is in order to give a fairer distribution. Under this break-down the States would receive the following amounts:

Distribution by States of full stated amounts authorized by sec. 9 (b) (1) and 9 (b) (2) of H. R. 6932 and comparison of amounts each State would receive from 52 percent distributed on basis of both farm and rural population, with amount each State would receive if the 52 percent were distributed on basis of rural population only

[Rural population includes towns of 2,500 and less. Farm population limited to those actually residing on farms]

State (1)	20 percent equally dis- tributed (2)	52 percent distributed as provided by bill			52 percent dis- tributed on basis of exist- ing formula (rural popula- tion) (6)	Increase (+) or decrease (-), column 6 as compared with column 5 (7)
		26 percent on basis of rural population (3)	26 percent on basis of farm population (4)	Total (5)		
Alabama-----	\$78,431.36	\$174,949.44	\$219,969.44	\$394,918.88	\$349,898.88	-\$45,020.00
Alaska-----	78,431.36	4,880.32	368.48	5,248.80	9,760.64	+4,511.84
Arizona-----	78,431.36	28,784.48	18,744.32	47,528.80	57,568.96	+10,040.16
Arkansas-----	78,431.36	134,283.76	182,303.68	316,587.44	268,567.52	-48,019.92
California-----	78,431.36	177,436.24	109,802.32	287,238.56	354,872.48	+67,633.92
Colorado-----	78,431.36	47,125.28	41,413.92	88,539.20	94,250.56	+5,711.36
Connecticut-----	78,431.36	48,765.92	17,165.76	65,931.68	97,531.84	+31,600.16
Delaware-----	78,431.36	11,244.88	7,629.60	18,774.48	22,489.76	+3,715.28
Florida-----	78,431.36	75,361.36	49,992.16	125,353.52	150,722.72	+25,369.20
Georgia-----	78,431.36	181,400.00	223,989.76	405,389.76	362,800.00	-42,589.76
Hawaii-----	78,431.36	14,078.88	21,291.36	35,370.24	28,157.76	-7,212.48
Idaho-----	78,431.36	30,809.60	33,178.88	63,988.48	61,619.20	-2,369.28
Illinois-----	78,431.36	184,734.00	160,325.28	345,059.28	369,468.00	+24,408.72
Indiana-----	78,431.36	136,284.32	133,711.20	269,995.52	272,568.64	+2,573.12
Iowa-----	78,431.36	128,669.92	152,447.92	281,117.84	257,339.84	-23,778.00
Kansas-----	78,431.36	92,658.24	99,405.20	192,063.44	185,316.48	-6,746.96
Kentucky-----	78,431.36	176,655.52	206,532.96	383,188.48	353,311.04	-29,877.44
Louisiana-----	78,431.36	122,422.72	139,859.68	262,282.40	244,845.44	-17,436.96
Maine-----	78,431.36	44,614.64	28,870.00	73,484.64	89,229.28	+15,744.64
Maryland-----	78,431.36	65,562.72	40,228.08	105,790.80	131,125.44	+25,334.64
Massachusetts-----	78,431.36	40,462.32	24,110.72	64,573.04	80,924.64	+16,351.60
Michigan-----	78,431.36	159,394.32	142,624.72	302,019.04	318,788.64	+16,769.60
Minnesota-----	78,431.36	124,082.96	149,794.56	273,877.52	248,165.92	-25,711.60
Mississippi-----	78,431.36	154,940.96	229,806.40	384,747.36	309,881.92	-74,865.44
Missouri-----	78,431.36	161,405.60	184,320.00	345,725.60	322,811.20	-22,914.40
Montana-----	78,431.36	30,788.08	28,834.08	59,622.16	61,576.16	+1,954.00
Nebraska-----	78,431.36	70,942.40	81,598.40	152,540.80	141,884.80	-10,656.00
Nevada-----	78,431.36	5,925.04	2,597.92	8,522.96	11,850.08	+3,327.12
New Hampshire-----	78,431.36	18,432.72	11,543.84	29,976.56	36,865.44	+6,888.88
New Jersey-----	78,431.36	67,730.64	23,490.00	91,220.64	135,461.28	+44,240.64
New Mexico-----	78,431.36	31,451.36	29,210.00	60,661.36	62,902.72	+2,241.36
New York-----	78,431.36	204,702.80	119,633.52	324,336.32	409,405.60	+85,069.28
North Carolina-----	78,431.36	229,852.00	271,788.96	501,640.96	459,704.00	-41,936.96
North Dakota-----	78,431.36	45,131.68	53,710.48	98,842.16	90,263.36	-8,578.80
Ohio-----	78,431.36	203,054.88	178,299.76	381,354.64	406,109.76	+24,755.12
Oklahoma-----	78,431.36	128,911.84	152,382.72	281,294.56	257,823.68	-23,470.88
Oregon-----	78,431.36	49,379.04	42,378.24	91,757.28	98,758.08	+7,000.80
Pennsylvania-----	78,431.36	293,199.12	149,825.68	443,024.80	586,398.24	+143,373.44
Puerto Rico-----	78,431.36	115,295.36	175,408.24	290,703.60	230,590.72	-60,112.88
Rhode Island-----	78,431.36	5,306.24	2,834.72	8,140.96	10,612.48	+2,471.52
South Carolina-----	78,431.36	126,569.60	150,122.40	276,692.00	253,739.20	-22,952.80
South Dakota-----	78,431.36	42,907.20	50,332.48	93,239.68	85,814.40	-7,425.28
Tennessee-----	78,431.36	167,128.08	208,314.64	375,442.72	334,256.16	-41,186.56
Texas-----	78,431.36	310,024.16	353,690.48	663,714.64	620,048.32	-43,666.32
Utah-----	78,431.36	21,664.24	17,140.88	38,805.12	43,328.48	+4,523.36
Vermont-----	78,431.36	20,883.28	17,447.76	38,331.04	41,766.56	+3,435.52
Virginia-----	78,431.36	153,364.40	161,660.16	314,924.56	306,728.80	-8,195.76
Washington-----	78,431.36	72,051.68	55,750.96	127,802.64	144,103.36	+16,300.72
West Virginia-----	78,431.36	121,028.24	87,231.60	208,259.84	242,056.48	+33,796.64
Wisconsin-----	78,431.36	129,059.76	144,607.44	273,667.20	258,119.52	-15,547.68
Wyoming-----	78,431.36	13,907.76	11,938.24	25,846.00	27,815.52	+1,969.52
Total-----	3,999,999.36	5,200,000.00	5,200,000.00	10,400,000.00	10,400,000.00	

(b) Section 9 (b): The money authorized under this section would go to research conducted by the Department of Agriculture, other than utilization research, in cooperation with the State experiment stations and other agencies agreeable to the experiment stations.

Funds authorized under section 9 (b) do not have to be matched.

The authorization is as follows:

1947-----	\$1,500,000
1948-----	3,000,000
1949-----	4,500,000
1950 and each year thereafter-----	6,000,000

In addition to the \$6,000,000, beginning with the fiscal year ending June 30, 1951, such sums as Congress may deem necessary.

The administrative expense under this section is limited to 3 percent.

UTILIZATION RESEARCH

(c) Section 10 (a): Under this section the money goes for utilization research conducted by the Department of Agriculture in its own laboratories or under contracts with other agencies, State or private.

Funds authorized under this section do not have to be matched.

The authorization is as follows:

1947-----	\$3,000,000
1948-----	6,000,000
1949-----	9,000,000
1950-----	12,000,000
1951 and each year thereafter-----	15,000,000

In addition to the \$15,000,000, beginning with the fiscal year ending June 30, 1952, such sums as Congress may deem necessary.

Utilization research, I am sure everyone will agree, is of great importance. In this great field we have not, in my opinion, even scratched the surface. In the report filed by the House Committee

on Agriculture on this bill we had this to say:

The most significant difference in the means employed by title I of this bill, from that used in the act of June 29, 1935, to effectuate the research authorized, is the provision (sec. 10 (a)) which authorizes the Secretary of Agriculture, in connection with research on utilization and associated problems concerning the development and application of present, new, and extended uses of agricultural commodities and the dissemination of information relative thereto, to enter into contracts with public or private organizations or individuals, as he may find qualified to conduct the work, if he determines that it would be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. This provision will enable the Secretary of Agriculture to utilize the best facilities and personnel available for utilization research. Utilization research requires laboratories with various types of equipment and scientists with many different fields of specialization. These are available, to some extent, in the regional research and other laboratories of the Department of Agriculture and these facilities should be expanded as rapidly as possible and used to maximum capacity. However, the need for utilization research exceeds the capacity of these existing facilities and, in recognition of this fact, provision is made to augment departmental facilities by authorizing the Secretary of Agriculture to enter into contracts with public and private agencies and individuals. The authority to carry on utilization research through contracts is, however, subject to the over-all limitation that such research shall be conducted so far as practicable at laboratories of the Department of Agriculture. The authority to conduct research in connection with the application of present, new, and extended uses of agricultural products and the dissemination of information through the use of contracts with public or private organizations or individuals, will enable the Secretary of Agriculture to stimulate the rapid adoption of new uses and methods developed through research.

From the hearings on this bill it is apparent that agricultural research is lagging far behind research in other fields, and that additional research is urgently needed. This is easily demonstrated by comparing two fibers—cotton and rayon. Rayon, a product of the laboratory, has rapidly been overtaking and supplanting many of the former uses of cotton. It has made such enormous strides, it now seriously threatens to supplant completely some of the major outlets for cotton. This increased use and advancement of rayon over cotton is not due solely to any inherent qualities or advantages of rayon over cotton. In fact, the converse appears to be true, namely, that cotton inherently has many advantages over rayon. Rayon's advancement and expanded use has been due primarily to research—research which developed its qualities, and adapted it to an increasing number of new uses. The same kind of research is sorely needed for agricultural products. The principal deficiencies in agricultural research in the past have not been in the quality of such research, but in the lack of its scope and of the size and number of research projects under way in relation to the myriad problems confronting agriculture. It was shown, for example, that one company manufacturing rayon has 10 times more experimental spinning and weaving equipment than does the New Orleans Regional Research Laboratory of the Department of Agriculture. The purpose is to discover ways of using rayon more advantageously in the machinery of the textile industry. It was also shown that the chemical industry as a whole spends approximately 2 percent of its gross revenues on research. An equivalent percentage of the gross revenues of the cotton farmer alone, if available

for research, would amount to approximately \$26,000,000 annually. These, and many similar facts, have made it increasingly apparent that the future well-being of agriculture depends upon a greatly expanded research program.

TITLE II

While the bill covers all types of agricultural research, and in the solution of our agricultural research problems brings into play all the research agencies of our country, Federal, State, and private, special emphasis is placed upon marketing research, and rightly so.

MARKETING RESEARCH

Title II of the bill is devoted exclusively to marketing research. There is every reason why special treatment should be given to this phase of our agricultural research program. Agricultural marketing in this country has been neglected, woefully neglected, during the past. Over the years we have emphasized production and, on the whole, have done a pretty good production job. Through conservation practices, improved strains, improved methods of cultivation, and mechanized farming, we have been able to increase our production. The sad part of the picture, however, is that while the average farmer knows a great deal about how to produce, he knows practically nothing about marketing the things that he produces.

Concretely stated, the farm-marketing problem is to bring the farmer and consumer closer together, to get rid of the enormous spread between the farm and the table. Hence, it is a problem that not only the farmer but the consumer is vitally interested in. I have said it before, and I now repeat, American industry would be put out of business if it had to operate under a marketing system similar to the system the farmers have been forced to operate under through the years. In order to bring to you the seriousness of our present agricultural marketing system, I call your attention to the fact that, generally speaking, for every dollar the farmer receives for a product, the consumer has to pay from two to three dollars for the same product.

Mr. Speaker, I ask permission to insert at this point in my remarks a table showing the spread from the farmer to the consumer for the years 1913 to 1943:

Year	Cash farm income	Retail value	Marketing margin	Government marketing taxes (-) and payments (+)	Marketing bill adjusted for Government taxes and payments	Farmers' share of retail value, derived from columns (1) and (2)
	(1)	(2)	(3)	(4)	(5)	(6)
	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Per cent
1913.....	3.8	8.2	4.4	-----	4.4	46
1914.....	3.8	8.6	4.8	-----	4.8	44
1915.....	3.8	8.8	5.0	-----	5.0	43
1916.....	4.6	10.4	5.8	-----	5.8	44
1917.....	6.5	13.8	7.3	-----	7.3	47
1918.....	7.3	14.5	7.2	-----	7.2	50
1919.....	8.0	16.4	8.4	-----	8.4	49
1920.....	7.7	17.7	10.0	-----	10.0	44
1921.....	5.2	13.2	8.0	-----	8.0	39
1922.....	5.4	13.6	8.2	-----	8.2	40
1923.....	5.8	14.5	8.7	-----	8.7	40
1924.....	6.1	14.9	8.8	-----	8.8	41

Year	Cash farm income	Retail value	Marketing margin	Government marketing taxes (-) and payments (+)	Marketing bill adjusted for Government taxes and payments	Farmers' share of retail value, derived from columns (1) and (2)
	(1)	(2)	(3)	(4)	(5)	(6)
	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Per cent
1925.....	7.0	16.1	9.1	-----	9.1	43
1926.....	7.2	17.0	9.8	-----	9.8	42
1927.....	7.0	16.9	9.9	-----	9.9	41
1928.....	7.3	17.0	9.7	-----	9.7	43
1929.....	7.5	17.8	10.3	-----	10.3	42
1930.....	6.5	16.6	10.1	-----	10.1	39
1931.....	4.8	13.3	8.5	-----	8.5	36
1932.....	3.5	10.9	7.4	-----	7.4	32
1933.....	3.7	11.4	7.7	-0.1	7.6	32
1934.....	4.4	12.8	8.4	-4	8.0	34
1935.....	5.3	13.4	8.1	-3	7.8	40
1936.....	6.0	14.7	8.7	-----	8.7	41
1937.....	6.3	14.6	8.3	-----	8.3	43
1938.....	5.5	14.2	8.7	-----	8.7	39
1939.....	5.5	14.3	8.8	-----	8.8	38
1935-39 ¹	5.7	14.2	8.5	-1	8.4	40
1940.....	5.9	14.5	8.6	-----	8.6	41
1941.....	7.4	16.6	9.2	-----	9.2	45
1942.....	9.5	19.6	10.1	-----	10.1	48
1943.....	11.2	21.5	10.3	+4	10.7	52
1944 ²	11.5	21.7	10.2	+7	10.9	53
1945 ²	12.0	22.2	10.2	+8	11.0	54

¹ Average.

² Preliminary.

A Special Committee on Marketing, as you know, was set up some time ago by the House to make a thorough study of our whole agricultural marketing system. It has been my high privilege to act as chairman of the committee, and I say to you a more difficult assignment was never given a committee of this House. The more your committee wrestled with the problem the more thoroughly we became convinced that we would not only have to harness, but coordinate, all our agencies directly or indirectly concerned with agricultural marketing—Federal, State, and private—and that we would have to approach the problem from a scientific rather than a haphazard angle, if we succeeded in accomplishing the great task imposed upon us by the resolution creating and setting up the committee. Now, after months of thorough and painstaking study and investigation, the best answer to our agricultural-marketing problems that your special committee has been able to work out, and this answer is concurred in by unanimous vote of the House Committee on Agriculture, is title II of the bill we are now considering.

Now, you ask, just what will title II of H. R. 6932 do? This is a fair question. Now, give me your attention while I attempt to answer it.

First, let me read that part of section 202 of title II that declares, and declares for the first time, the policy of Congress with respect to distributing and marketing agricultural products:

SEC. 202. The Congress hereby declares that a sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation. It is further declared to be the policy of Congress to promote through research, study,

experimentation, and through cooperation among Federal and State agencies, farm organizations, and private industry a scientific approach to the problems of marketing, transportation, and distribution of agricultural products similar to the scientific methods which have been utilized so successfully during the past 84 years in connection with the production of agricultural products so that such products capable of being produced in abundance may be marketed in an orderly manner and efficiently distributed.

That is a great statement of policy. It is a declaration that should have been made years ago. It recognizes that the problem is a national problem—a problem that affects every man, woman and child in America—and consequently will have to be dealt with from the national point of view.

In order that there may be no misunderstanding as to the declared policy of Congress, the intent of the Congress is expressed in the bill in these words:

In order to attain these objectives, it is the intent of Congress to provide for (1) continuous research to improve the marketing, handling, storage, processing, transportation, and distribution of agricultural products; (2) cooperation among Federal and State agencies, producers, industry organizations, and others in the development and effectuation of research and marketing programs to improve the distribution processes; (3) an integrated administration of all laws enacted by Congress to aid the distribution of agricultural products through research, market aids and services, and regulatory activities, to the end that marketing methods and facilities may be improved, that distribution costs may be reduced and the price spread between the producer and consumer may be narrowed, that dietary and nutritional standards may be improved, that new and wider markets for American agricultural products may be developed, both in the United States and in other countries, with a view to making it possible for the full production of American farms to be disposed of usefully, economically, profitably, and in an orderly manner.

But, my colleagues, the bill goes farther than simply laying down a policy and expressing a pious intent; it authorizes and directs, and in no uncertain terms, the Secretary of Agriculture to do certain specific things. I cannot present these specific things to you in a better way than by reading section 203 of the bill, because here we spell out in cold, incisive, unambiguous language, just what the Secretary of Agriculture is to do in order to bring about improvement in our agricultural marketing system. May I have your undivided attention while I read these specific things:

SEC. 203. The Secretary of Agriculture is directed and authorized:

(a) To conduct, assist, and foster research, investigation, and experimentation to determine the best methods of processing, preparation for market, packaging, handling, transporting, storing, distributing, and marketing agricultural products: *Provided*, That the results of such research shall be made available to the public for the purpose of expanding the use of American agricultural products in such manner as the Secretary of Agriculture may determine.

(b) To determine costs of marketing agricultural products in their various forms and through the various channels and to foster and assist in the development and establishment of more efficient marketing methods (including analyses of methods and proposed methods), practices, and facilities, for

the purpose of bringing about more efficient and orderly marketing, and reducing the price spread between the producer and the consumer.

(c) To develop and improve standards of quality, condition, quantity, grade, and packaging, and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices.

(d) To conduct, assist, foster, and direct studies and informational programs designed to eliminate artificial barriers to the free movement of agricultural products.

(e) To foster and assist in the development of new markets and new uses and in the moving of larger quantities of agricultural products through the private marketing system to consumers in the United States and elsewhere.

(f) To conduct and cooperate in consumer education for the more effective utilization and greater consumption of agricultural products: *Provided*, That no money appropriated under the authority of this act shall be used to pay for newspaper or periodical advertising space or radio time in carrying out the purposes of this section and section 203 (e).

(g) To collect and disseminate marketing information, including adequate outlook information on a market-area basis, for the purpose of anticipating and meeting consumer requirements, aiding in the maintenance of farm income, and bringing about a balance between production and utilization of agricultural products.

(h) To inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in interstate commerce, under such rules and regulations as the Secretary of Agriculture may prescribe, including assessment and collection of such fees as will be reasonable and as nearly as may be to cover the cost of the service rendered, to the end that agricultural products may be marketed to the best advantage, that trading may be facilitated, and that consumers may be able to obtain the quality product which they desire, except that no person shall be required to use the service authorized by this subsection. Any official certificate issued under the authority of this subsection shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the statements therein contained.

(i) To determine the needs and develop or assist in the development of plans for efficient facilities and methods of operating such facilities for the proper assembly, processing, transportation, storage, distribution, and handling of agricultural products.

(j) To assist in improving transportation services and facilities and in obtaining equitable and reasonable transportation rates and services and adequate transportation facilities for agricultural products and farm supplies by making complaint or petition to the Interstate Commerce Commission, the Maritime Commission, the Civil Aeronautics Board, or other Federal or State transportation regulatory body with respect to rates, charges, tariffs, practices, and services, or by working directly with individual carriers or groups of carriers.

(k) To collect, tabulate, and disseminate statistics on marketing agricultural products, including but not restricted to, statistics on market supplies, storage stocks, quantity, quality, and condition of such products in various positions in the marketing channel, utilization of such products, and shipments and unloads thereof.

(l) To develop and promulgate, for the use and at the request of any Federal agency or State, procurement standards and specifications for agricultural products, and submit such standards and specifications to such agency or State for use or adoption for procurement purposes.

(m) To conduct, assist, encourage, and promote research, investigation, and experimen-

tation to determine the most efficient and practical means, methods, and processes for the handling, storing, preserving, protecting, processing, and distributing of agricultural commodities to the end that such commodities may be marketed in an orderly manner and to the best interest of the producers thereof.

(n) To conduct such other research and services and to perform such other activities as will facilitate the marketing, distribution, processing, and utilization of agricultural products through commercial channels.

In reporting the bill to the House the House committee had this to say on farm marketing:

The principal purposes of title II of this bill are to promote through research, study, experimentation, and through the development of cooperation among Federal and State agencies, farm organizations, and private industries a scientific approach to the problems of marketing, transportation, and distribution of agricultural products, which has been utilized so successfully in connection with the production of agricultural products to the end that marketing methods and facilities may be improved; that distribution costs may be reduced; that the price spread between the producer and the consumer may be narrowed; that dietary and nutritional standards may be improved; that new and wider markets for American agricultural products may be developed; and that the full production of American farms may be disposed of usefully, economically, profitably, and in an orderly manner.

It is generally recognized and admitted that many of the major and most pressing problems in agriculture lie in the field of marketing and distribution. In the past, major emphasis has been placed on problems of production, and marketing problems to a large extent have been ignored. Unless intensive research is carried out to improve the processes of distributing agricultural products capable of being produced in abundance, many of the benefits and improvements developed through research in the field of production will be dissipated. Production is but half the problem. It is equally important, if agriculture and the Nation is to prosper, that there be an efficient marketing system to distribute in an economical and orderly manner that which is produced.

In connection with this committee's investigation of the marketing of farm products, pursuant to House Resolution 54, it has been developed that there is comparatively little information available on the costs, wastes, and inefficiencies of marketing and distributing agricultural products. Such information is fundamental in any thorough study of our marketing system. Without adequate information, no accurate analysis of the deficiencies in the distribution system can be made. Such information must be compiled if attention is to be focused on the weak spots and if ways and means for improvements are to be developed. The work involved in conducting studies, analyses, surveys, and other research and experimentations to improve the efficiency of handling agricultural products from the farm to the consumer, to reduce the price spread, to improve the methods of processing, preparing for market, packaging, handling, transporting, storing, marketing, distributing, and developing new outlets for agricultural products is a continuing process which must be carried on constantly if genuine progress is to be made.

Under our economic system, most agricultural production is for market, and under such conditions tending to become specialized and concentrated in the most efficient producing areas. This specialization in production tends to separate production farther and farther from the consumer and to make the problems of marketing more complex. It is, therefore, more important than ever

that all appropriate steps be taken to assist the privately operated system for marketing and distributing agricultural products to function more efficiently.

Title II of this bill is designed to provide the marketing research so vitally needed, and to give to marketing problems the same type of intensive study and attention that is given to the problems of agricultural production.

One of the significant sections of title II is section 205 (a). This section authorizes the Secretary of Agriculture, in carrying out the provisions of title II, to cooperate with other branches of the Government, State agencies, trade associations, private organizations, and individuals. It also authorizes the Secretary to enter into contracts and agreements with such agencies for the purposes of conducting marketing research or service work authorized by this title if he determines that the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. This provision, which is very similar to a provision contained in title I, will enable the Secretary of Agriculture to utilize the best facilities and personnel available in carrying out the marketing research and services authorized under title II. There are many marketing problems which cannot be solved in a laboratory or facility of the Federal Government and in many instances the only laboratory available is the distribution system itself. Therefore, much of the information necessary for effective marketing research must be done by, or accomplished in cooperation with, industry. In recognition of this fact, provision is made whereby the Secretary of Agriculture may enter into contracts with public and private agencies and individuals.

MARKETING FUNDS

In order for the Secretary of Agriculture to carry out the directives with respect to agricultural marketing, the bill authorizes to be appropriated:

(1) \$2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional \$2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

(3) An additional \$5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

(4) An additional \$5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) An additional \$5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

Such sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available to the Department of Agriculture.

This means that the Secretary of Agriculture will have at his disposal for carrying out the agricultural marketing program for the years 1947, 1948, 1949, 1950, 1951, and each year thereafter, in addition to the small amount he has at present for agricultural marketing activities, the modest sums—and I use the word modest advisedly—as follows:

1947	\$2,500,000
1948	5,000,000
1949	10,000,000
1950	15,000,000
1951 and each year thereafter	20,000,000

The bill, I am happy to state, authorizes, beginning with the fiscal year ending June 30, 1952, such additional sums

as the Congress may deem necessary. In my opinion, the Secretary of Agriculture will need additional funds in order to bring the program to full fruition. I believe, however, that for every dollar spent in developing and carrying forward the program the return will be a thousand fold to the American farmers and consumers.

Now, you will want to know how the funds will be spent by the Secretary of Agriculture. I am also happy to state that the Secretary is given a wide latitude in the use to which the funds are employed and the agencies with which he may cooperate. This is right and proper, because the problem we are tackling is our biggest unsolved agricultural problem, and in bringing about its solution at the earliest possible moment, every agency, Federal, State, and private, that can, in any way, contribute toward its solution, should be put to work.

Let me put my finger on just how the Secretary may employ the marketing funds:

First. Under section 204 (b) the Secretary is authorized, upon a 50-50 basis, to allocate from the marketing funds such sums as he may deem appropriate to the State departments of agriculture, the State bureaus and departments of markets, the State agricultural experiment stations, and other appropriate State agencies, for cooperative efforts in working out the solutions to all research marketing problems. The only limitations placed upon the Secretary with respect to this provision is that he shall select the State agency or agencies best equipped and qualified to do the particular research, that all allotments shall be covered by a cooperative agreement with the agency so selected, and the agreement shall include appropriate provisions for preventing duplication.

Second. Under section 205 (a) in carrying out the directive provisions of title II, the Secretary may, first, enter into cooperative agreements with other branches of the Government, State agencies, private research organizations, purchasing and consuming organizations, boards of trade, chambers of commerce, other associations of business or trade organizations, transportation and storage agencies and organizations, or other persons or corporations engaged in the production, transportation, storing, processing, marketing, and distribution, of agricultural products, and he may also, second, enter into contracts and agreements under terms of regulations promulgated by him with States and agencies of States, private firms, institutions, and individuals, for the purpose of conducting research and service work, making and compiling reports and surveys, and carrying out other functions relating thereto when in his judgment the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture.

In order to keep a check on this cooperative and contract work, the Secretary is required to report to Congress each year a complete statement of research work performed under contracts and cooperative agreements, showing the names of the agencies and the amount

expended, segregated by Federal and non-Federal funds.

COORDINATION OF WORK

The marketing program will never be a success until the marketing research, services, and regulatory work of the Department of Agriculture is coordinated under one directing head. While I believe the Secretary should be given a free hand in bringing about the proper coordination and consolidation of the respective marketing research, service, and regulatory agencies, as provided for in section 206, I am strongly of the opinion that unless this is done, the marketing program will be a failure. It is the unanimous opinion of the House Committee on Agriculture that the Secretary should carry out the intent of Congress as expressed in section 206 at the earliest date possible.

EXPERIMENT STATIONS AND EXTENSION SERVICE

In carrying out the purposes of this legislation, attention is called to the fact that both title I and title II provide that—

Maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by the State agricultural experiment stations and of the facilities of the Federal and State extension Service.

Before I close let me call your attention to two other provisions in the bill which I think you will agree with me are important.

AGRICULTURAL PRODUCTS DEFINED

In order to cover every segment of agriculture, the term "agricultural products" is defined in the bill to "include agricultural, horticultural, viticultural, and dairy products, livestock and poultry, bees, forest products, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof."

ADVISORY COMMITTEES

In order to aid in implementing the research and service work, assist in obtaining the fullest cooperation among the Federal and State agencies, producers, farm organizations, and private industry, and in securing the greatest benefit from the funds expended, three advisory committees are set up.

The bill contains three provisions for committees, as follows:

First. A large advisory committee with representatives from the various interested groups. Appointments would be made by the Secretary with due consideration to the recommendations of the groups concerned. The advisory committee would select from its membership an executive committee of 11 members, 6 of whom would represent producers.

Second. A nine-man committee elected by and representing the State experiment stations, and approved by the Secretary. Cooperative research projects conducted by the State experiment stations on regional problems could be undertaken only upon the recommendation of this committee (9 (b) (3)).

Third. Such other "appropriate committees, including representatives of producers, industry, government, and science" as the Secretary may wish to

appoint "to assist in effectuating specific research and service programs."

Mr. Speaker, in closing, let me state that, in my opinion, this legislation will do more toward solving our farm problems than any other piece of legislation ever enacted. It has the unqualified endorsement of the Secretary of Agriculture, the House Committee on Agriculture, and all the leading farm organizations, namely, the National Grange, the American Farm Bureau, the National Council of Farmer Cooperatives, the National Cooperative Milk Producers Federation, and the National Farmers Union. I hope it will pass by unanimous vote of the House.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to extend their remarks at this point on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HOPE. Mr. Speaker, H. R. 6932 is, in my opinion, one of the most important bills on the subject of agriculture ever considered in Congress. It is really a composite of three bills: First, H. R. 6548, introduced by the gentleman from Virginia [Mr. FLANNAGAN], the chairman of the Committee on Agriculture; second, H. R. 295, introduced by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and, third, H. R. 6692, introduced by myself. All three of these bills dealt with research along agricultural lines. The composite bill is based upon the idea of abundant production and efficient distribution and utilization of food and other farm products. Extensive hearings on the measures were held by the House Committee on Agriculture, at which time witnesses representing the Association of Land Grant Colleges, State Commissioners of Agriculture, the Department of Agriculture, and the four great national farm organizations, the Grange, the Farm Bureau, the Farmers Union, and the National Council of Cooperatives, appeared in support of the measure. In the course of the hearings, some suggestions as to amendments were made, some of which were embodied in the final form of the bill, H. R. 6932.

The bill is in part a result of studies made by the Committee on Agriculture during the present and preceding Congresses. It will be recalled that in the Seventy-eighth Congress the Committee on Agriculture was authorized to make a study of marketing. That authority was continued in the Seventy-ninth Congress. Also in the Seventy-eighth Congress, there was appointed a subcommittee of the Committee on Agriculture to make a special study of cotton problems. That committee, which was headed by the gentleman from Georgia [Mr. PACE] carried its studies over into the Seventy-ninth Congress. In both the marketing studies and the studies of the cotton committee it was clearly brought out

that one of the greatest needs of present-day agriculture is research.

The Republican Food Study Committee, under the leadership of the gentleman from Ohio, Hon. THOMAS A. JENKINS, in its study of the food and agricultural situation, reached the same conclusion. It was found that agriculture was lagging far behind other industries in this regard. As a result of some of the studies of the Republican Food Study Committee, I introduced the bill H. R. 5925 sometime ago. This bill provided for the establishment of a National Food Research Institution in the Department of Agriculture. Later this bill was revised and introduced as H. R. 6692, the principal features of which were merged in the present bill. I do not know of any subject in the field of agriculture on which there is so much unanimity in thought and opinion as the matter of further research. This was clearly brought out during the hearings.

Title I of the bill amends and extends the Bankhead-Jones Act of June 29, 1935. It specifically broadens the authority contained in the original act by providing for research on all types of farm problems, particularly those which have developed during recent years and which may, in all probability, be anticipated in the future. It authorizes research to encourage the discovery, introduction, and breeding of new and useful agriculture crops, plants, and animals, both foreign and native, with particular interest in those crops and plants which may be adapted to utilization in the chemical and manufacturing industries. It also covers research relating to improving methods of production, research into the problems of human nutrition and research relating to the development of present new and extended uses of markets for agricultural commodities. It includes research relating to conservation and the development of land, forest, and water resources for agriculture purposes, as well as research relating to the design, development, and more efficient use of farm homes, buildings, and machinery.

While a considerable part of the research under title I, and possibly most of it, would be carried on through the Department of Agriculture, experiment stations and the land-grant colleges of the various States, there is also a provision that under certain conditions the Secretary of Agriculture may enter into contracts with such public or private organizations or individuals as he may find qualified to carry out research work authorized under title I of the bill. This provision will enable the Secretary to make use of any facilities in the country which he may find helpful in carrying out the research authorized by the bill.

The bill also provides for research on regional problems, common to two or more States. In such cases, the work will be carried on by the Department of Agriculture or through programs approved by the Secretary of Agriculture and the directors of State experiment stations in the area where the problem is to be studied.

Title II of the bill calls for research in what is practically a new field because

up to this time research in the marketing of agricultural products has been practically nonexistent. In the past much research work has been done in the field of agriculture production. Under title I of the present bill much more can and will be done. The committee found, however, in making its marketing study that practically no work has been done by the Federal Government in the field of agricultural marketing. Because advances in the efficiency of production have out-stripped progress in distribution we have in the past frequently had the paradox of simultaneous so-called "overproduction of food" while millions were hungry and undernourished, not only throughout the world but in this country. One of the methods which has been used in the past has been government control of agricultural production and marketing to mitigate the price-depressing effects of surpluses.

While some arguments might be made for the temporary use of such remedies in a period of distress, that idea does not fit in with our American traditions and our spirit of free enterprise. As a permanent solution of our agricultural problems, such a policy is bound to be an utter failure. In the past we have spent almost nothing on the science of food utilization. We know more about the scientific feeding of cattle and poultry than we do about feeding human beings, or at least we apply our knowledge along those lines. Our experience during the war years shows that there is not too much food. We have used up every bit of the one-third increase in food production which we had during that time. The records of the Selective Service show all too clearly the results of undernourishment in this country in the past years. It has been estimated that in normal times one-third of our people are undernourished, and as many as two-thirds suffer definite dietary deficiencies. Nor is it true that this undernourishment is confined to those who cannot afford large expenditures for food. It permeates all income groups and shows that unsound food habits are not altogether a matter of inadequate income. They are the fruit of inadequate food education as well.

Careful analysis of the food requirements and desires of the American people leads inescapably to the conclusion that, in conjunction with a moderate export program, we can consume all of the food that American farms will produce for years to come if scientific skill and research are applied to the problems of food utilization as they have been in the past to the problems of food production.

The two keys to the door of complete and profitable use of abundant production are processing and distribution—processing to give consumers the kind of food they want in the form in which they want it or can use it most conveniently and economically; distribution scientifically geared to eliminate waste and inefficiency and give them the food they want at a price they can afford to pay.

Scientific investigation of food processing was almost completely ignored by the Government prior to the war. It

was carried on sporadically by a few bureaus of the Department of Agriculture as an adjunct to scientific investigation of production, and by the larger food processing companies themselves for the functions, powers, duties, and authorities of all of the agencies in the Department whose work is along the line of the objectives and purposes of title II.

Title III of the act provides for the establishment of a National Advisory Committee to be composed of representatives from each of the National Farm Organizations, the National Association of Commissioners, Secretaries and Directors of Agriculture, the National Association of Marketing Officials, State experiment stations, the State extension services, as well as representatives of producers, distributors, and processors from the various commodity groups. It is provided also that retailers shall be represented on this committee and that in selecting the committee, the Secretary shall afford adequate representation to cooperative associations of producers. Representatives of the Department of Commerce, the Interstate Commerce Commission and of the Department of Agriculture may be designated as ex-officio members. The Secretary of Agriculture shall be chairman of the committee. The bill provides that the committee shall meet at least once a year and, in view of the fact that it will probably be difficult to have a meeting of such a large committee more often than that, there is set up an executive committee of 11 members, 6 of whom shall be representatives of producers or their organizations. The executive committee is to meet at least once each quarter and such other times as will be necessary.

It is the hope and purpose that through the Advisory Committee it will be possible to secure suggestions representing the best thought and experience of all of those who produce, process, and distribute agriculture commodities.

The entire bill is predicated upon the idea that it is the function of the farmer to feed the world and to do it adequately. Its theory is an economy of abundance—abundant production and abundant consumption.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, research for agriculture is of vital importance to the future welfare of American farmers, and I am pleased to note that H. R. 6932 is receiving unanimous approval of the entire membership of the House. The day will come when surplus farm products will present a serious problem in this country, and therefore, I feel that whatever can be done through research to find new uses for agricultural products, will be of great help in solving the surplus problem.

A new feature in research has been included in H. R. 6932, which directs the Secretary of Agriculture to conduct research and experimentation for the discovery, introduction, breeding, and testing of agricultural crops for utilization in industry and manufacturing and for replacement of surplus agricultural crops by the introduction of new crops not heretofore produced in this country. This proposal in H. R. 6932 was first advanced in H. R. 295, which was introduced by me on January 3, 1946. Sev-

eral hundred thousand farmers have urged the enactment of H. R. 295, because the bill proposed research and experimentation in the production of new crops for American agriculture. If this authority in the bill is properly administered, I am convinced that new crops will be introduced for the benefit of American farmers and for the general welfare of the country.

I am including as a part of my remarks the text of H. R. 295, at is was the unanimous intent of your Committee on Agriculture and now of the House of Representatives that the purpose and authority for the research and experimentation authorized in H. R. 295 was included and fully authorized in title I of H. R. 6932:

A bill to provide for the discovery, introduction, breeding, and testing of agricultural crops for utilization in industry and manufacturing and for replacement of surplus agricultural crops through cooperation of the United States Department of Agriculture and the several State agricultural experiment stations

Be it enacted, etc.—

TITLE I

SECTION 1. To enable the Secretary of Agriculture to encourage the discovery, introduction, and breeding of plants and agricultural crops both foreign and native in a search for crops useful for replacement of surplus agricultural crops, particularly for those plants and crops which may be adapted to utilization in the chemical and other manufacturing industries, and to cooperate on problems of national and regional significance with the State agricultural experiment stations, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year 1947, the sum of \$800,000.

SEC. 2. One-half of the sums appropriated for any fiscal year under this title shall be used by such agencies of the Department of Agriculture as may be designated or established by the Secretary for the following purposes:

(a) The discovery, introduction, and breeding of plants, either foreign or domestic in origin, which may prove useful as crops which may be substituted profitably for crops in which there are constant or recurrent surpluses.

(b) Conducting surveys and explorations both in foreign countries and the United States and its possessions in order to collect for study and testing valuable seeds, bulbs, trees, vines, cuttings, and plants which may prove useful in replacement of present surplus agricultural crops and for chemical and industrial uses.

(c) The discovery, introduction, and breeding of plants which may be useful as raw materials for chemical or industrial utilization.

(d) The carrying out of such tests and trials as are needed to determine adaptation of plants of the types contemplated in this title to the several regions of the United States.

(e) The carrying forward of such preliminary tests and trials as will indicate possible chemical or industrial uses of plants of the type contemplated under this act, and to study the gathering and preliminary processing of such plants to fit them for transportation and for industrial or chemical use.

(f) The growing of supplies of plants of the types contemplated under this title to enable the regional laboratories authorized and established under the Agricultural Adjustment Act of 1938 to make adequate stud-

ies of the possible chemical or industrial utilization of such plants or crops.

(g) Cooperation with the several State agricultural experiment stations on studies authorized under this title and under title II. In entering into cooperative agreements with agricultural experiment stations under this section, the Secretary shall give consideration to the benefits to be derived from programs of work from a regional or national basis.

SEC. 3. One-half of the sums appropriated for any fiscal year under this title shall be used by such agency or agencies of the Department of Agriculture as may be designated or established by the Secretary, and in cooperation with the State agricultural experiment stations, to establish and maintain not to exceed 12 regional plant introduction and testing centers in such different agricultural regions as the Secretary may designate. These regional centers shall be located on land provided under agreement with State agricultural experiment stations. Each center shall cooperate actively with the State agricultural experiment stations of the region. Each regional center will receive and test the various plant introductions and improved plants contemplated under this act, determine their adaptation to soil and climate, and furnish plant material for testing under diverse conditions and cooperate in such testing.

SEC. 4. The sums appropriated in pursuance of this title shall be in addition to and not in substitution for sums appropriated or otherwise made available to the Department for purposes of the kind contemplated in this title.

SEC. 5. Research authorized under this title shall be in addition to research provided for under existing laws (but both activities should be coordinated as far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish in the same manner and subject to the same administrative procedure as governs such agency or agencies.

SEC. 6. The agencies designated by the Secretary to carry out the provisions of this act are empowered within the limits of the appropriation made therefor to make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services, purchase and exchange of supplies and equipment, books of reference, periodicals and press clippings, travel and subsistence expenses including the expenses of attendance at meetings and conferences; purchase, operation and maintenance at the seat of government and elsewhere of motor-propelled passenger-carrying and other vehicles; printing and binding and for such other facilities and services as may from time to time be found necessary for the proper administration of this title.

TITLE II

SEC. 21. In order further to endow and encourage research on the introduction, development, breeding, and testing of plants and agricultural crops for industrial utilization and for profitable replacement of present surplus crops and to provide the necessary facilities for conducting such research and for the printing and dissemination of the results of such research by the State agricultural experiment stations now established or which may hereafter be established in accordance with the act of Congress approved March 2, 1887, there is hereby authorized to be appropriated for each fiscal year beginning with the fiscal year 1947 the sum of \$1,200,000.

SEC. 22. Not more than 5 percent of the sums appropriated in pursuance of this title may be allotted by the Secretary for the administration of this title and for use in facilitating interstate and regional coopera-

tion among and between State agricultural experiment stations.

SEC. 23. After deduction of the amount herein authorized for the use of the Department the remaining sums appropriated in any fiscal year shall be apportioned to the States on the following basis:

(a) \$10,000 shall be paid annually to each State without the requirement of offset.

(b) The remainder shall be allocated to the several States in the proportion that the farm population of each State bears to the total farm population of the several States. Of the amounts available to a State in any fiscal year under (b) of this section, 25 percent shall be matched by an equal amount of funds from sources within the States for research, facilities for research, and for publication of results of research of the kind authorized under this title.

SEC. 24. In the event any State fails to qualify for an apportionment or to meet the conditions governing the apportionment of funds, as set forth in this title or in the rules and regulations promulgated thereunder, the funds that would otherwise be made available to such State may be apportioned elsewhere by the Secretary in accordance with the provisions of this title.

SEC. 25. If any portion of the moneys received by any agency of a State under this title shall, by any action or contingency, be diminished or lost or misapplied, it shall be replaced by the State and, until so replaced, no subsequent appropriation shall be apportioned or paid to such State.

SEC. 26. The sums authorized to be allotted to the several States shall be paid annually in quarterly payments on July 1, October 1, January 1, and April 1. Such sums shall be paid by the Secretary of the Treasury upon warrant of the Secretary in the same manner and subject to the same administrative procedure set forth in the Act of March 2, 1887, as amended June 7, 1888.

SEC. 27. The director of the agricultural experiment station in each State which conducts a program of work under this title shall furnish to the Secretary, on or before the first day of September of each year, on forms prescribed by the Secretary, a detailed statement of the receipts and disbursement of money under this act during the previous fiscal year.

SEC. 28. (a) All sums appropriated in pursuance of this title shall be in addition to and not in substitution for sums hitherto made available for purposes of this title. Such sums may be used in cooperative studies among and between States and in cooperation with the Department on problems of interstate, regional, or national significance. Such sums shall be available for the purchase and rental of land and the construction of buildings necessary for conducting research contemplated under the provisions of this title, for the equipment and maintenance of such buildings, and for printing and disseminating the results of research.

(b) Sums appropriated in pursuance of this title shall be available for securing new and basic facts which may prove useful in effectuating the purposes of this title, including—

(1) studies of native and foreign plants to determine adaptability to soils, climates, and cultivation;

(2) introduction, breeding, and adaptation of plants which may prove valuable as replacement crops or have chemical or industrial uses;

(3) determination of chemical or other characteristics of plants which may prove of industrial importance;

(4) development of suitable agronomic practices for production, collection, and marketing of such crops;

(5) development of machinery and methods for the producing and handling of such crops and for the processing necessary to prepare them for chemical or other industrial use;

(6) in cooperation with the Department of Agriculture, the production of sufficient quantities of promising crops to enable the regional laboratories established under the Agricultural Adjustment Act of 1938 to make adequate tests of industrial and commercial utilization;

(7) studies of the economic readjustments needed in agriculture and industry associated with the introduction of new crops or crops better adapted to industrial utilization;

(8) cooperation with the Department of Agriculture in effectuating the purposes of titles I and II of this act.

TITLE III

SEC. 31. The grants of money to the several States authorized in title II of this act are made subject to legislative assent of the several States to the purposes of said grants: *Provided*, That payment of such installment of the appropriations herein authorized to be made as shall become due to any State before the adjournment of the regular session of the legislature meeting next after the passage of this act, shall be upon the assent of the governor thereof duly certified to the Secretary of the Treasury.

SEC. 32. The Secretary of Agriculture is authorized and directed to prescribe such rules and regulations as may be necessary to carry out this act.

SEC. 33. (a) As used in this act the term "Secretary" means the Secretary of Agriculture of the United States.

(b) The term "Department" means the United States Department of Agriculture.

(c) The term "State" or "States" includes Alaska, Hawaii, and Puerto Rico.

(d) The term "farm population" shall represent a determination as shown in the last preceding Federal census.

SEC. 34. In order to assist the Secretary in coordinating all activities and to secure the greatest efficiency in the expenditure of funds, there shall be appointed by the Secretary a committee on coordination which shall be requested to meet at least once each fiscal year for the purpose of reviewing all programs financed under this act, and of advising the Secretary concerning the programs for the succeeding year. This committee shall consist of 14 persons appointed for terms of 3 years each, except that of the committee first appointed, 4 members shall be appointed for terms of 1 year each; 5 members shall be appointed for terms of 2 years each; and 5 members shall be appointed for terms of 3 years each. No member of the committee may be appointed to succeed himself. The appointments of committee members shall be made as follows: Two from employees of the Department; four from persons nominated by the Association of Land-Grant Colleges and Universities, one being chosen to represent each of the four major agricultural regions of the United States; four from persons nominated by the four major national farm organizations; and four chosen by the Secretary to represent industry, manufacturing, technical, or scientific organizations or societies. The committee members will not be entitled to any compensation for their services but the Secretary is authorized to allow their traveling and subsistence expenses necessary in connection with their attendance at meetings called for the purposes of this section.

Mr. VOORHIS of California. Mr. Speaker, seldom, if ever, since I have been a member of the Committee on Agriculture has a bill come before the House with stronger or more general support from all agencies affecting American agriculture than is the case with H. R. 6932.

Nor is this at all remarkable. It has been true through the years that every dollar spent on agricultural research has come back a thousandfold in benefits to

the entire Nation. Furthermore, the farmers of the Nation and the Nation itself face a future fraught with great and unknown possibilities for either good or ill. If we are to meet that future we must know how to do so. That is the purpose of this bill. Improved soil conservation, improved uses of fertilizer, development of better seed, the combatting of disease of farm livestock—all these are involved. They are what might be termed the standard objectives of agricultural research.

But there are two other great objectives of this bill. The first is to develop new and beneficial uses for our agricultural crops. We know only enough now to be sure that a whole world of such new uses is possible of development. The day may come soon when it will be most vital that this be done if an adequate market for all of certain of our staple crops is to be available.

In the second place title II of the bill provides for research in the field of the marketing of farm commodities. This field is as yet barely touched. Furthermore, it is precisely here, in the distribution and marketing of farm crops, that the farmers through the decades have met their greatest problems and suffered their worst hardships. The spread between what farmers receive for their crops and what consumers pay for food at retail is perhaps the most serious problem affecting both farmers and consumers today. Research on this problem is long overdue. The experience and value of farm cooperatives need to be studied, as well as other methods of narrowing the spread and making possible better protection for farmers against the hazards of speculative manipulations and market fluctuations.

I am glad to note the complete lack of opposition to this bill in the House. I most earnestly hope and believe it will encounter a like reception in the Senate.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, recently I asked unanimous consent to have included as a part of my remarks a fine description of the Foreign Service, past, present, and future, by Fortune magazine. I am informed by the Government Printer that it will cost \$270. Notwithstanding the additional cost, I ask unanimous consent that it be printed in the RECORD.

The SPEAKER. Notwithstanding and without objection, the request is granted.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JUDD asked and was given permission to extend his remarks in two instances and in each to include certain excerpts.

Mr. HAYS. Mr. Speaker, earlier today the House agreed to a conference report on a bill which I introduced some time ago. I ask unanimous consent that I may extend my remarks at the point in the RECORD where the report was agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. GWYNNE] is recognized for 1 hour.

IOWA CENTENNIAL

Mr. GWYNNE of Iowa. Mr. Speaker, the Members of the Iowa delegation have asked for this time to call attention to an event of prime importance in the history of our State. The year 1946 is the Centennial year of Iowa. In 1846, 100 years ago, Iowa was admitted as the twenty-third State of the Union, and the first free State to be carved out of the Louisiana Purchase.

While it can truly be said that the history of Iowa is not marked by the tumult and disorders that have sometimes characterized frontier life in the United States, nevertheless the first century of our existence as a sovereign State has witnessed many events of substantial interest and a vast development of the resources of our commonwealth. The Iowa delegation today will present some aspects of the life and development during these 100 years, to the end that the House of Representatives and the people of the United States may know of our great State, its accomplishments and its people. It will be apparent from these discussions that we have a great and we believe a justifiable prejudice in favor of Iowa. Its resources and its people are among the finest in our country—and we yield to no State in our devotion to our common country.

We take great pride in the fact that, during World War II, Iowa contributed greatly in winning the victory. We furnished our full quota to the armed forces; for many months we stood first in enlistments in the Navy. Being the foremost agricultural State of the Union, the Government naturally looked to us to feed our armies and those of our allies. In spite of lack of machinery and of manpower, production was kept at the maximum.

We of the Iowa delegation are privileged to represent its people in the House of Representatives. It is with pride that each member of the delegation will present a special phase of Iowa's history and development, its life, its resources, and its people.

The Members from Iowa will discuss subjects as follows:

First. Iowa's People, BEN F. JENSEN, Seventh District.

Second. Iowa's Agriculture and Resources, CHARLES B. HOEVEN, Eighth District.

Third. Schools and Churches, KARL M. LECOMPTE, Fourth District.

Fourth. Transportation, Insurance, and Banking, HENRY O. TALLE, Second District.

Fifth. Industry and Commerce, JOHN W. GWYNNE, Third District.

Sixth. Organization of Business, Veterans, and Labor, JAMES I. DOLLIVER, Sixth District.

Seventh. The Political History of Iowa, PAUL CUNNINGHAM, Fifth District.

Eighth. Iowa's War Contribution, TOM MARTIN, First District.

Mr. Speaker, I yield to my colleague [Mr. JENSEN] who will discuss the subject of Iowa's people.

THE PEOPLE OF IOWA

Mr. JENSEN. Mr. Speaker, the State of Iowa produces corn, hogs, cattle, chickens, pearl buttons, washing machines, and many other fine material items; it also produces men and women of sterling character. Both in physical development and in mental attainments the people of Iowa have reason to be proud of themselves. Into this State the older parts of the East poured some of their finest stock and from Iowa many more in the same pioneering spirit have gone forth to people the far West and the great new industrial and commercial centers of our land.

The first people who inhabited Iowa in historic times were the Ioway and several other tribes of Indians. The Ioway Tribe was settled along the central parts of the Des Moines River Valley when the white pioneers came to settle permanently these parts in the eighteenth century. In the western and southwestern parts of the State were the Pottawatomie, Chippewas, Omaha, Oto, and Missouri Indian tribes. The Sac and Fox, along with the Winnebago moved into eastern and southern parts of the State when pushed there by Indian wars. In the far southwest of the State were the Mascouten who gave their name to the city of Muscatine. In 1823 the Ioway Tribe was exterminated by other Indians and the Sac and Fox came to be the only important remaining Indian group. Most of the tribes were migratory buffalo hunters although a few settled groups raised crops of corn and beans.

The first white men in Iowa were the French explorers Marquette and Joliet who passed down the Mississippi in 1673. Other Frenchmen came and set up a few fur-trading posts, intermarrying with the Indians. After the Louisiana Purchase a small tract was set up in southeastern Iowa called the half-breed tract to accommodate the mixed bloods who were then important in this area. The tract included Keokuk, Montrose, and Fort Madison. Later the half-breeds and their tract disappeared, swallowed up in the white tide of immigration from the east.

In 1833 white settlement began in earnest and by 1838 there were enough white men in the area to organize the Iowa Territory. By the time of the admission of Iowa as a State in 1846 there was a swelling flood of immigration into this area. Most of these early pioneers came from Tennessee, Kentucky, Virginia, and other Southern States, and they furnished the early governors of the Territory and State. It was, however, the New England influence which first put a permanent stamp on the population of Iowa in the 1850's. Representative of this group was William Farrabee who came from Connecticut in 1853 and later became one of the greatest governors of Iowa. The New Englanders drove a wedge of population westward in the northern part of the State to Cedar River in Chickasaw County. Here they founded the village of Bradford which was made famous in the song—"The Little Brown Church in the Vale."

The Pennsylvania Quakers were also prominent among the early settlers of central Iowa and at a later date one of their descendants, Herbert Hoover—

born 1874 at West Branch, Iowa—became President of the United States. The Quakers played a prominent part in the "underground railroad" during pre-Civil War days and John Brown found a congenial welcome among these folk during short stays in 1857 and 1859. Although there were a large number of early settlers from Kentucky, Tennessee, and other parts south of the Mason and Dixon's line during the 1830's and 1840's, the vast majority of Iowa's later pioneers were northern Yankees, and pronouncedly antislavery in viewpoint.

The foreign-language groups, while few at first, later came to make up a substantial portion of the pioneer population. It was composed of Irish, German, and Scandinavian elements, all of whom showed a strong tendency to merge into the generality of the population, after a generation or two.

During the period from the Civil War to the First World War the history of Iowa's people was largely contained in the immigrant tide of foreign born who poured into the State. Northern and eastern Iowa, in particular, received a heavy contingent of the foreign born and in almost all the counties of the State there is a section of the recent immigrants.

People of German descent are the most numerous in the State and in a large number of the counties form the basic substratum of the population. These people began arriving in large numbers after the revolts of 1848 in Europe. They settled chiefly along the Mississippi River at first but later spread westward across the State to its western boundary. Kanesville, now Council Bluffs, was the trading center of the West in those early days.

In 1855 the village of Amana was founded in the Iowa River Valley by these people. The Amana Society was a communistic religious group which continued for 90 years at this site and has only recently been transformed into a joint stock company. The Amana community laid great emphasis on manual skills and many of their products are valued widely throughout the United States.

Some of the Germans from Pennsylvania, the so-called Pennsylvania Dutch, formed settlements in Iowa as Amish or Amish-Mennonites in Washington and Henry counties. Wherever the Germans settled, their small rural communities emphasized the parish church, Lutheran, Roman Catholic, or Evangelical. German food, wedding parties and family reunions were frequent, as well as annual celebrations such as Sauer Kraut Day—Ackley and Lisbon, Iowa. In the cities German turnvereins or gymnastic clubs, and musical societies were organized.

The Irish contingent is, next to the German, the most important contribution to the foreign population in Iowa. The Irish first arrived in the 1840's, driven from home by famine, and settled in the larger towns. They were divided into two groups, the Protestant Orangemen or Scotch-Irish who constituted about one fourth of the Irish immigrants and the Irish proper who were Roman Catholics. The Irish played a large part in the building of bridges,

H. R. 6932

Read twice and referred to the Committee on Agriculture and Forestry

4 Title I of the Act entitled "An Act to provide for
5 research into basic laws and principles relating to agri-
6 culture and to provide for the further development of cooper-
7 ative agricultural extension work and the more complete
8 endowment and support of land-grant colleges", approved
9 June 29, 1935 (the Bankhead-Jones Act), is amended as
0 follows:

1 (1) By substituting for section 1, title I, the following
2 section:

3 “SECTION 1. It is hereby declared to be the policy of the
4 Congress to promote the efficient production and utilization
5 of products of the soil as essential to the health and wel-
6 fare of our people and to promote a sound and prosperous
7 agriculture and rural life as indispensable to the maintenance
8 of full employment and national prosperity. It is also the
9 intent of Congress to assure agriculture a position in research
10 equal to that of industry which will aid in maintaining an
11 equitable balance between agriculture and other sections of
12 our economy. For the attainment of these objectives, the
13 Secretary of Agriculture is authorized and directed to con-
14 duct and to stimulate research into the laws and principles
15 underlying the basic problems of agriculture in its broadest
16 aspects, including but not limited to: Research relating to
17 the improvement of the quality of, and the development of
18 new and improved methods of the production, marketing,
19 distribution, processing, and utilization of plant and animal
20 commodities at all stages from the original producer through
21 to the ultimate consumer; research into the problems of
22 human nutrition and the nutritive value of agricultural
23 commodities, with particular reference to their content of
24 vitamins, minerals, amino and fatty acids, and all other con-
25 stituents that may be found necessary for the health of the

1 consumer and to the gains or losses in nutritive value that
2 may take place at any stage in their production, distribution,
3 processing, and preparation for use by the consumer; research
4 relating to the development of present, new, and extended
5 uses and markets for agricultural commodities and byproduct
6 as food or in commerce, manufacture, or trade, both at home
7 and abroad, with particular reference to those foods and fibers
8 for which our capacity to produce exceeds or may exceed
9 existing economic demand; research to encourage the dis-
10 covery, introduction, and breeding of new and useful agri-
11 cultural crops, plants, and animals, both foreign and native.
12 particularly for those crops and plants which may be adapted
13 to utilization in chemical and manufacturing industries; re-
14 search relating to new and more profitable uses for our
15 resources of agricultural manpower, soils, plants, animals,
16 and equipment than those to which they are now, or may
17 hereafter be, devoted; research relating to the conservation,
18 development, and use of land, forest, and water resources for
19 agricultural purposes; research relating to the design, develop-
20 ment, and the more efficient and satisfactory use of farm
21 buildings, farm homes, farm machinery, including the appli-
22 cation of electricity and other forms of power; research re-
23 lating to the diversification of farm enterprises, both as to
24 the type of commodities produced, and as to the types of
25 operations performed, on the individual farm; research re-

1 lating to any other laws and principles that may contribute
2 to the establishment and maintenance of a permanent and
3 effective agricultural industry including such investigations
4 as have for their purpose the development and improvement
5 of the rural home and rural life, and the maximum contribu-
6 tion by agriculture to the welfare of the consumer and the
7 maintenance of maximum employment and national pros-
8 perity; and such other researches or experiments bearing on
9 the agricultural industry or on rural homes of the United
10 States as may in each case be deemed advisable, having
11 due regard to the varying conditions and needs of Puerto
12 Rico, the respective States, and Territories. In effectuating
13 the purposes of this section, maximum use shall be made
14 of existing research facilities owned or controlled by the
15 Federal Government or by State agricultural experiment
16 stations and of the facilities of the Federal and State exten-
17 sion services. Research authorized under this section shall
18 be in addition to research provided for under existing law
19 (but both activities shall be coordinated so far as
20 practicable).”

21 (2) By adding at the end thereof the following new
22 sections:

23 “SEC. 9. (a) In order to carry out further the purposes
24 of section 2 of this title, there is hereby authorized to be

1 appropriated in addition to all other appropriations authorized
2 by this title the following sums:

3 “(1) \$2,500,000 for the fiscal year ending June
4 30, 1947, and each subsequent fiscal year.

5 “(2) An additional \$2,500,000 for the fiscal
6 year ending June 30, 1948, and each subsequent fiscal
7 year.

8 “(3) An additional \$5,000,000 for the fiscal year
9 ending June 30, 1949, and each subsequent fiscal year.

10 “(4) An additional \$5,000,000 for the fiscal year
11 ending June 30, 1950, and each subsequent fiscal year.

12 “(5) An additional \$5,000,000 for the fiscal year
13 ending June 30, 1951, and each subsequent fiscal year.

14 “(6) In addition to the foregoing such additional
15 funds beginning with the fiscal year ending June 30,
16 1952, and thereafter, as the Congress may deem neces-
17 sary.

18 “The moneys appropriated in pursuance of this title
19 shall also be available for the purchase and rental of land
20 and the construction or acquisition of buildings necessary for
21 conducting research provided for in this title, for the equip-
22 ment and maintenance of such buildings, and for printing and
23 disseminating the results of research. Sums appropriated
24 in pursuance of this title shall be in addition to, and not in
25 substitution for, sums appropriated or otherwise made avail-

1 able for agricultural experiment stations. The said agricul-
2 tural experiment stations are authorized to plan and conduct
3 any research provided for under this title in cooperation
4 with each other and such other appropriate agencies and
5 individuals as may contribute to the solution of these problems
6 and sums appropriated in pursuance of this title shall be
7 available to meet the necessary expenses of such research.

8 “Unexpended balances of allotments to experiment sta-
9 tions from appropriations made under this section during
10 the first five fiscal years may remain available for expendi-
11 ture by the same experiment stations at which the unex-
12 pended balances occurred for the purposes specified in sec-
13 tion 1 and for the following periods: Unexpended balances
14 of the first year's allotments, five years; of the second fiscal
15 year's allotments, four years; of the third fiscal year's
16 allotments, three years; of the fourth fiscal year's allotments,
17 two years; and of the fifth fiscal year's allotments, one year;
18 and any unexpended balances of allotments to any experi-
19 ment stations from appropriations made under this section
20 of any subsequent fiscal year shall be deducted from the
21 next succeeding annual allotments to such experiment sta-
22 tions.

23 “(b) Not less than 97 per centum of the sums appro-
24 priated for any fiscal year under this section shall be avail-

1 able for the purposes of section 2 to be allotted to Puerto
2 Rico, each State and Territory as follows:

3 “(1) Twenty per centum of the sums appropriated
4 for any fiscal year under this section shall be allotted
5 equally to Puerto Rico, each State and Territory: *Pro-*
6 *vided*, That no allotment and no payment under any
7 allotment shall be made for any fiscal year in excess
8 of the amount which Puerto Rico or the State or Terri-
9 tory makes available for such fiscal year out of its own
10 funds, for research and for the establishment and mainte-
11 nance of necessary facilities for the prosecution of such
12 research. If Puerto Rico or any State or Territory fails
13 to make available for such purposes for any fiscal year
14 a sum equal to the amount to which it may be entitled
15 for such year, the remainder of such amount shall be
16 withheld by the Secretary.

17 “(2) Not less than 52 per centum of the sums ap-
18 propriated for any fiscal year under this section shall be
19 allotted to Puerto Rico, each State and Territory as fol-
20 lows: One-half in an amount which bears the same ratio
21 to the total amount to be allotted as the rural population
22 of Puerto Rico or the State or Territory bears to the
23 total rural population of Puerto Rico and all the States
24 and Territories as determined by the last preceding

decennial census; and one-half in an amount which bears the same ratio to the total amount to be allotted as the farm population of Puerto Rico or the State or Territory bears to the total farm population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census: *Provided*, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico, or the State or Territory makes available for such fiscal year out of its own funds for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

“(3) Not more than 25 per centum of the sums appropriated for any fiscal year under this section shall be allotted to the States for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State. The funds available for such purposes shall be designated as the ‘Regional research fund, Office of Experiment Sta-

tions' and shall be used only for cooperative regional projects recommended by a committee of nine persons elected by and representing the directors of the State agricultural experiment stations and approved by the Secretary of Agriculture or his authorized representative. The necessary travel expense of said committee of nine in performance of their duties may be paid from the regional research fund, Office of Experiment Stations, provided for under this subsection.

“(c) Three per centum of the sums appropriated for any fiscal year under this section shall be available to the Office of Experiment Stations of the United States Department of Agriculture for administration of research under this section, including participation in planning and coordinating the cooperative regional research.”

“SEC. 10. (a) In order to carry out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities and products thereof authorized by section 1 of this title, and to disseminate information relative thereto, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated the following sums:

1 “(1) \$3,000,000 for the fiscal year ending June
2 30, 1947, and each subsequent fiscal year.

3 “(2) An additional \$3,000,000 for the fiscal year
4 ending June 30, 1948, and each subsequent fiscal year.

5 “(3) An additional \$3,000,000 for the fiscal year
6 ending June 30, 1949, and each subsequent fiscal year.

7 “(4) An additional \$3,000,000 for the fiscal year
8 ending June 30, 1950, and each subsequent fiscal year.

9 “(5) An additional \$3,000,000 for the fiscal year
10 ending June 30, 1951, and each subsequent fiscal year.

11 “(6) In addition to the foregoing, such additional
12 funds beginning with the fiscal year ending June 30,
13 1952, and thereafter, as the Congress may deem neces-
14 sary.

15 “The Secretary of Agriculture, in accordance with such
16 regulations as he deems necessary, and when in his judg-
17 ment the work to be performed will be carried out
18 more effectively, more rapidly, or at less cost than if per-
19 formed by the Department of Agriculture, may enter into
20 contracts with such public or private organizations or
21 individuals as he may find qualified to carry on work
22 under this section without regard to the provisions of section
23 3709, Revised Statutes, and with respect to such con-
24 tracts he may make advance progress or other payments
25 without regard to the provisions of section 3648, Revised

1 Statutes. Contracts hereunder may be made for work to
2 continue not more than four years from the date of any such
3 contract. Notwithstanding the provisions of section 5 of
4 the Act of June 20, 1874, as amended (31 U. S. C. 713),
5 any unexpended balances of appropriations properly obli-
6 gated by contracting with an organization as provided in this
7 subsection may remain upon the books of the Treasury for
8 not more than five fiscal years before being carried to the
9 surplus fund and covered into the Treasury. Research au-
10 thorized under this subsection shall be conducted so far as
11 practicable at laboratories of the Department of Agriculture.
12 Projects conducted under contract with public and private
13 agencies shall be supplemental to and coordinated with
14 research of these laboratories. Any contracts made pursuant
15 to this authority shall contain requirements making the
16 results of research and investigations available to the public
17 through dedication, assignment to the Government, or such
18 other means as the Secretary shall determine.

19 “(b) In order to carry out further the purposes of
20 section 1, other than research on utilization of agricultural
21 commodities and the products thereof, and in addition to all
22 other appropriations authorized by this title, there is hereby
23 authorized to be appropriated for cooperative research with
24 the State agricultural experiment stations and such other
25 appropriate agencies as may be mutually agreeable to the

1 Department of Agriculture and the experiment stations con-
2 cerned, the following sums:

3 “(1) \$1,500,000 for the fiscal year ending June
4 30, 1947, and each subsequent fiscal year.

5 “(2) An additional \$1,500,000 for the fiscal year
6 ending June 30, 1948, and each subsequent fiscal year.

7 “(3) An additional \$1,500,000 for the fiscal year
8 ending June 30, 1949, and each subsequent fiscal year.

9 “(4) An additional \$1,500,000 for the fiscal year
10 ending June 30, 1950, and each subsequent fiscal year.

11 “(5) In addition to the foregoing such additional
12 funds beginning with the fiscal year ending June 30,
13 1951, and thereafter, as the Congress may deem neces-
14 sary.

15 “(c) The Secretary may incur necessary administrative
16 expenses not to exceed 3 per centum of the amount appro-
17 priated in any fiscal year in carrying out this section, in-
18 cluding the specific objects of expense enumerated in section
19 3 of this title.

20 “(d) The ‘Special research fund, Department of Agri-
21 culture’, provided by section 4 of this title, shall continue
22 to be available solely for research into laws and principles
23 underlying basic problems of agriculture in its broadest
24 aspects; research relating to the improvement of the quality
25 of, and the development of, new and improved methods of

1 production of, distribution of, and new and extended uses
2 and markets for, agricultural commodities and byproducts
3 and manufacturers thereof; and research relating to the con-
4 servation, development, and use of land and water resources
5 for agricultural purposes. Such research shall be in addi-
6 tion to research provided for under other law (but both
7 activities shall be coordinated so far as practicable) and
8 shall be conducted by such agencies of the Department of
9 Agriculture as the Secretary of Agriculture may designate
10 or establish.

11 "SEC. 11. Notwithstanding any other provision of this
12 title, (1) not less than 20 per centum of the funds authorized
13 to be appropriated under section 9 (a) shall be used by
14 State agricultural experiment stations for conducting mar-
15 keting research projects approved by the Department of
16 Agriculture, and (2) cooperative research projects provided
17 for under sections 9 (a) (3) and 10 (b) shall be carried
18 out under cooperative agreements between the Secretary
19 of Agriculture and the cooperating agencies and shall include
20 appropriate provisions for preventing duplication or over-
21 lapping of work within the State or States cooperating.
22 Should duplication or overlapping occur subsequent to
23 approval of a cooperative research project, the Secretary of
24 Agriculture is authorized and directed to withhold unex-
25 pended balances on such projects notwithstanding the prior

1 approval thereof. The Secretary of Agriculture shall in-
2 clude in his annual report to Congress a complete statement
3 of research work being performed under contracts or
4 cooperative agreements under this title, showing the names
5 of the agencies cooperating and the amounts expended
6 thereon, segregated by Federal and non-Federal funds.”

7 TITLE II

8 This title may be cited as the “Agricultural Marketing
9 Act of 1946”.

10 SEC. 202. The Congress hereby declares that a sound,
11 efficient, and privately operated system for distributing and
12 marketing agricultural products is essential to a prosperous
13 agriculture and is indispensable to the maintenance of full
14 employment and to the welfare, prosperity, and health of the
15 Nation. It is further declared to be the policy of Congress to
16 promote through research, study, experimentation, and
17 through cooperation among Federal and State agencies, farm
18 organizations, and private industry a scientific approach to
19 the problems of marketing, transportation, and distribution
20 of agricultural products similar to the scientific methods
21 which have been utilized so successfully during the past
22 eighty-four years in connection with the production of agri-
23 cultural products so that such products capable of being
24 produced in abundance may be marketed in an orderly man-
25 ner and efficiently distributed. In order to attain these objec-

1 tives, it is the intent of Congress to provide for (1)
2 continuous research to improve the marketing, handling,
3 storage, processing, transportation, and distribution of agri-
4 cultural products; (2) cooperation among Federal and
5 State agencies, producers, industry organizations, and
6 others in the development and effectuation of research
7 and marketing programs to improve the distribution
8 processes; (3) an integrated administration of all laws
9 enacted by Congress to aid the distribution of agricultural
10 products through research, market aids and services, and
11 regulatory activities, to the end that marketing methods and
12 facilities may be improved, that distribution costs may be
13 reduced and the price spread between the producer and
14 consumer may be narrowed, that dietary and nutritional
15 standards may be improved, that new and wider markets
16 for American agricultural products may be developed, both
17 in the United States and in other countries, with a view to
18 making it possible for the full production of American farms
19 to be disposed of usefully, economically, profitably, and
20 in an orderly manner. In effectuating the purposes of this
21 title, maximum use shall be made of existing research
22 facilities owned or controlled by the Federal Government
23 or by State agricultural experiment stations and of the
24 facilities of the Federal and State extension services.

1 SEC. 203. The Secretary of Agriculture is directed and
2 authorized:

3 (a) To conduct, assist, and foster research, investigation,
4 and experimentation to determine the best methods of proc-
5 essing, preparation for market, packaging, handling, trans-
6 porting, storing, distributing, and marketing agricultural prod-
7 ucts: *Provided*, That the results of such research shall be
8 made available to the public for the purpose of expanding
9 the use of American agricultural products in such manner
10 as the Secretary of Agriculture may determine.

11 (b) To determine costs of marketing agricultural prod-
12 ucts in their various forms and through the various channels
13 and to foster and assist in the development and establish-
14 ment of more efficient marketing methods (including analyses
15 of methods and proposed methods), practices, and facilities,
16 for the purpose of bringing about more efficient and orderly
17 marketing, and reducing the price spread between the
18 producer and the consumer.

19 (c) To develop and improve standards of quality, con-
20 dition, quantity, grade, and packaging, and recommend
21 and demonstrate such standards in order to encourage uni-
22 formity and consistency in commercial practices.

23 (d) To conduct, assist, foster, and direct studies and
24 informational programs designed to eliminate artificial bar-
25 riers to the free movement of agricultural products.

1 (e) To foster and assist in the development of new
2 markets and new uses and in the moving of larger quantities
3 of agricultural products through the private marketing
4 system to consumers in the United States and elsewhere.

5 (f) To conduct and cooperate in consumer education
6 for the more effective utilization and greater consumption
7 of agricultural products: *Provided*, That no money appro-
8 priated under the authority of this Act shall be used to pay
9 for newspaper or periodical advertising space or radio time
10 in carrying out the purposes of this section and section
11 203 (e).

12 (g) To collect and disseminate marketing information,
13 including adequate outlook information on a market-area
14 basis, for the purpose of anticipating and meeting consumer
15 requirements, aiding in the maintenance of farm income,
16 and bringing about a balance between production and utiliza-
17 tion of agricultural products.

18 (h) To inspect, certify, and identify the class, quality,
19 quantity, and condition of agricultural products when shipped
20 or received in interstate commerce, under such rules and
21 regulations as the Secretary of Agriculture may prescribe, in-
22 cluding assessment and collection of such fees as will be
23 reasonable and as nearly as may be to cover the cost of the
24 service rendered, to the end that agricultural products may be

1 marketed to the best advantage, that trading may be facili-
2 tated, and that consumers may be able to obtain the quality
3 product which they desire, except that no person shall be
4 required to use the service authorized by this subsection.
5 Any official certificate issued under the authority of this
6 subsection shall be received by all officers and all courts of
7 the United States as prima facie evidence of the truth of the
8 statements therein contained.

9 (i) To determine the needs and develop or assist in the
10 development of plans for efficient facilities and methods of
11 operating such facilities for the proper assembly, processing,
12 transportation, storage, distribution, and handling of agri-
13 cultural products.

14 (j) To assist in improving transportation services and
15 facilities and in obtaining equitable and reasonable transporta-
16 tion rates and services and adequate transportation facilities
17 for agricultural products and farm supplies by making com-
18 plaint or petition to the Interstate Commerce Commission,
19 the Maritime Commission, the Civil Aeronautics Board, or
20 other Federal or State transportation regulatory body with
21 respect to rates, charges, tariffs, practices, and services, or
22 by working directly with individual carriers or groups of
23 carriers.

24 (k) To collect, tabulate, and disseminate statistics on
25 marketing agricultural products, including, but not restricted

1 to statistics on market supplies, storage stocks, quantity,
2 quality, and condition of such products in various positions
3 in the marketing channel, utilization of such products, and
4 shipments and unloads thereof.

5 (l) To develop and promulgate, for the use and at the
6 request of any Federal agency or State, procurement stand-
7 ards and specifications for agricultural products, and submit
8 such standards and specifications to such agency or State for
9 use or adoption for procurement purposes.

10 (m) To conduct, assist, encourage, and promote re-
11 search, investigation, and experimentation to determine the
12 most efficient and practical means, methods, and processes
13 for the handling, storing, preserving, protecting, processing,
14 and distributing of agricultural commodities to the end that
15 such commodities may be marketed in an orderly manner
16 and to the best interest of the producers thereof.

17 (n) To conduct such other research and services and
18 to perform such other activities as will facilitate the market-
19 ing, distribution, processing, and utilization of agricultural
20 products through commercial channels.

21 SEC. 204. (a) In order to conduct research and service
22 work in connection with the preparation for market, process-
23 ing, packaging, handling, storing, transporting, distributing,
24 and marketing of agricultural products as authorized by this

1 title, there is hereby authorized to be appropriated the follow-
2 ing sums:

3 (1) \$2,500,000 for the fiscal year ending June 30,
4 1947, and each subsequent fiscal year.

5 (2) An additional \$2,500,000 for the fiscal year
6 ending June 30, 1948, and each subsequent fiscal year.

7 (3) An additional \$5,000,000 for the fiscal year
8 ending June 30, 1949, and each subsequent fiscal year.

9 (4) An additional \$5,000,000 for the fiscal year
10 ending June 30, 1950, and each subsequent fiscal year.

11 (5) An additional \$5,000,000 for the fiscal year
12 ending June 30, 1951, and each subsequent fiscal year.

13 (6) In addition to the foregoing, such additional
14 funds beginning with the fiscal year ending June 30,
15 1952, and thereafter, as the Congress may deem
16 necessary.

17 Such sums appropriated in pursuance of this title shall be
18 in addition to, and not in substitution for, sums appropriated
19 or otherwise made available to the Department of Agri-
20 culture.

21 (b) The Secretary of Agriculture is authorized to make
22 available from such funds such sums as he may deem appro-
23 priate for allotment to State departments of agriculture, State
24 bureaus and departments of markets, State agricultural experi-
25 ment stations, and other appropriate State agencies for co-

1 operative research projects in marketing to effectuate the pur-
2 poses of title II of this Act: *Provided*, That no such allotment
3 and no payment under any such allotment shall be made for
4 any fiscal year to any State agency in excess of the amount
5 which such State agency makes available out of its own
6 funds for such research. The funds which State agencies
7 are required to make available in order to qualify for such
8 an allotment shall be in addition to any funds now available
9 to such agencies for marketing research. The allotments
10 authorized under this section shall be made to the agency or
11 agencies best equipped and qualified to conduct the specific
12 research project to be undertaken. Such allotments shall
13 be covered by cooperative agreements between the Secre-
14 tary of Agriculture and the cooperating agency and shall
15 include appropriate provisions for preventing duplication
16 or overlapping of work within the State or States cooperating.
17 Should duplication or overlapping occur subsequent to ap-
18 proval of a cooperative research project or allotment of
19 funds, the Secretary of Agriculture is authorized and directed
20 to withhold unexpended balances on such projects not-
21 withstanding the prior approval thereof.

22 SEC. 205. (a) In carrying out the provisions of title II
23 of this Act, the Secretary of Agriculture may cooperate
24 with other branches of the Government, State agencies,
25 private research organizations, purchasing and consuming

1 organizations, boards of trade, chambers of commerce, other
2 associations of business or trade organizations, transporta-
3 tion and storage agencies and organizations, or other persons
4 or corporations engaged in the production, transportation,
5 storing, processing, marketing, and distribution of agricultural
6 products whether operating in one or more jurisdictions. The
7 Secretary of Agriculture shall have authority to enter into
8 contracts and agreements under the terms of regulations pro-
9 mulgated by him with States and agencies of States, private
10 firms, institutions, and individuals for the purpose of conduct-
11 ing research and service work, making and compiling reports
12 and surveys, and carrying out other functions relating thereto
13 when in his judgment the services or functions to be per-
14 formed will be carried out more effectively, more rapidly, or
15 at less cost than if performed by the Department of Agri-
16 culture. Contracts hereunder may be made for work to
17 be performed within a period not more than four years from
18 the date of any such contract, and advance, progress, or other
19 payments may be made. The provisions of section 3648
20 (31 U. S. C., sec. 529) and section 3709 (41 U. S. C.,
21 sec. 5) of the Revised Statutes shall not be applicable to
22 contracts or agreements made under the authority of this
23 section. Any unexpended balances of appropriations obli-
24 gated by contracts as authorized by this section may, not-
25 withstanding the provisions of section 5 of the Act of June

1 20, 1874, as amended (31 U. S. C., sec. 713), remain
2 upon the books of the Treasury for not more than five
3 fiscal years before being carried to the surplus fund and
4 covered into the Treasury. Any contract made pursuant to
5 this section shall contain requirements making the result
6 of such research and investigations available to the public
7 by such means as the Secretary of Agriculture shall deter-
8 mine.

9 (b) The Secretary of Agriculture shall promulgate such
10 orders, rules, and regulations as he deems necessary to carry
11 out the provisions of this title. In his annual report to
12 Congress, he shall include a complete statement of research
13 work being performed under contracts or cooperative agree-
14 ments under this title, showing the names of the agencies
15 cooperating and the amounts expended thereon, segregated
16 by Federal and non-Federal funds.

17 SEC. 206. In order to facilitate administration and to
18 increase the effectiveness of the marketing research, service,
19 and regulatory work of the Department of Agriculture to
20 the fullest extent practicable, the Secretary of Agriculture
21 is authorized, notwithstanding any other provisions of law,
22 to transfer, group, coordinate, and consolidate the functions,
23 powers, duties, and authorities of each and every agency,
24 division, bureau, service, section, or other administrative
25 unit in the Department of Agriculture primarily concerned

1 with research, service, or regulatory activities in connection
2 with the marketing, transportation, storage, processing, dis-
3 tribution of, or service or regulatory activities in connection
4 with, the utilization of, agricultural products, into a single
5 administrative agency. In making such changes as may be
6 necessary to carry out effectively the purposes of this title,
7 the records, property, personnel, and funds of such agencies,
8 divisions, bureaus, services, sections, or other administrative
9 units in the Department of Agriculture affected thereby are
10 authorized to be transferred to and used by such administra-
11 tive agency to which the transfer may be made, but such
12 unexpended balances of appropriations so transferred shall
13 be used only for the purposes for which such appropriations
14 were made.

15 SEC. 207. When used in this title, the term "agricul-
16 tural products" includes agricultural, horticultural, viticul-
17 tural, and dairy products, livestock and poultry, bees, forest
18 products, and any products thereof, including processed and
19 manufactured products, and any and all products raised or
20 produced on farms and any processed or manufactured
21 product thereof.

22 SEC. 208. The Secretary of Agriculture shall have the
23 power to appoint, remove, and fix, in accordance with exist-
24 ing law, the compensation of such officers and employees,
25 and to make such expenditures as he deems necessary,

1 including expenditures for rent outside the District of
2 Columbia, travel, supplies, books, equipment, and such
3 other expenditures as may be necessary to the administra-
4 tion of this title: *Provided*, That the Secretary of Agriculture
5 may appoint and fix the compensation of any technically
6 qualified person, firm, or organization by contract or other-
7 wise on a temporary basis and for a term not to exceed
8 six months in any fiscal year to perform research, inspection,
9 classification, technical, or other special services, without
10 regard to the civil-service laws or the Classification Act of
11 1923, as amended.

12 TITLE III

13 SEC. 301. In order to aid in implementing the research
14 and service work authorized under titles I and II of this
15 Act, and to assist in obtaining the fullest cooperation among
16 Federal and State agencies, producers, farm organizations,
17 and private industry, in the development of and in effectuat-
18 ing such research and service programs, and in order to
19 secure the greatest benefit from the expenditure of funds,
20 the Secretary of Agriculture shall establish a national ad-
21 visory committee. The functions of such advisory committee
22 shall be to consult with the Secretary of Agriculture and
23 other appropriate officials of the Department of Agriculture,
24 to make recommendations relative to research and service
25 work authorized by this Act, and to assist in obtaining the

1 cooperation of producers, farm organizations, industry groups,
2 and Federal and State agencies in the furtherance of such
3 research and service programs. The membership of such
4 advisory committee shall consist of the following: One per-
5 son from each of the general national farm organizations;
6 one person from the National Association of Commissioners,
7 Secretaries, and Directors of Agriculture; one person from
8 the National Association of Marketing Officials; one per-
9 son to represent State agricultural experiment stations;
10 one person to represent State extension services, to be
11 selected by the groups which each is to represent. For each
12 of the following commodity groups: Fruits, vegetables, and
13 nuts; livestock and wool; grains; cotton; tobacco; dairy
14 products; forest products; and poultry and poultry products:
15 the Secretary shall appoint two persons to represent pro-
16 ducers, one person to represent distributors, and one person
17 to represent processors. The Secretary shall also appoint
18 two persons to represent retailers. In the selection of such
19 members, due consideration shall be given to recommenda-
20 tions of the groups to be represented, and the representatives
21 of producers shall be so selected as to afford cooperative asso-
22 ciations of producers with adequate representation. One rep-
23 resentative from the Department of Commerce, to be selected
24 by the Secretary of Commerce, and one representative from
25 the Interstate Commerce Commission, to be designated by

1 the Chairman of the Commission, and such officials of the
2 Department of Agriculture as the Secretary of Agri-
3 culture may designate shall be ex officio members.
4 The chairman of the committee shall be the Secretary
5 of Agriculture or such other official of the Department of
6 Agriculture as he shall designate. The committee shall meet
7 at least once each year at the call of the chairman or of
8 the executive committee. In order to facilitate the work of
9 such advisory committee and to increase its effectiveness, an
10 executive committee of eleven members, six of whom shall
11 be representatives of producers or their organizations, shall
12 be created by and from the membership of such advisory
13 committee. The executive committee shall meet at least
14 once each quarter and at such other times as are deemed
15 necessary. Members of such advisory or executive com-
16 mittees may not appoint alternates to serve in their stead.
17 Committee members other than the ex officio members shall
18 not be deemed to be employees of the United States and
19 are not entitled to compensation, but the Secretary of Agri-
20 culture is authorized to allow their traveling and subsistence
21 expenses necessary in connection with their attendance at
22 meetings called by him for the purposes of this section.

23 SEC. 302. In the furtherance of the research and service
24 work authorized by this Act, the Secretary of Agriculture
25 may, in addition to the national advisory committee, estab-

- 1 lish appropriate committees, including representatives of
- 2 producers, industry, government, and science, to assist in
- 3 effectuating specific research and service programs.

Passed the House of Representatives July 15, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

79TH CONGRESS
2D Session

H. R. 6932

AN ACT

To provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products.

JULY 16 (legislative day, JULY 5), 1946

Read twice and referred to the Committee on
Agriculture and Forestry

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 29, 1946
For actions of July 26 & 27, 1946
79th-2nd, Nos. 148 and 149

CONTENTS

Agricultural conservation program.....	84	Fisheries.....	9	Property, surplus.....	37,13,55
Adjournment.....	44,61	Food conservation.....	19,86	R.F.C.....	54
Administrative expenses.....	15	Forestry.....	8,67	Railroad retirement.....	46
Administrative procedure.....	6	Full employment.....	29	Reclamation.....	58
Alcohol.....	25,35,50	Grain.....	25,50	Regional authorities.....	22,30
Animal quarantine.....	79	Health.....	53,77,86	Research.....	1,3,41
Appropriations.....	86	Housing.....	16,43,59,76	Rubber.....	23,35
Assistant secretaries.....	51	Labor, farm.....	86	Small business.....	73
Budget Director.....	20	Lands, public.....	48	Statistics.....	26,49
Buildings & grounds.....	12,85	Loans, farm.....	45	Sugar.....	32
Congressional reorganization.....	2,33,70	Machinery, farm.....	18,63,65	Trade, foreign.....	63
Consumer credit.....	75	Marketing.....	1,52,60	Transportation.....	4,36,72,83
Dairy industry.....	11,66,68	Minerals.....	17,38	Veterans.....	76,78
Economy.....	21,71	Monopolies.....	27	War powers.....	10,24,57
Education.....	14,39,86	Patents.....	56	Water pollution.....	53
Farm program.....	31,69	Personnel.....	28,40,81,86	Wildlife.....	82
		Price control.....	7,26,32,34,42,49,62,74,80	Women's rights.....	47
				Wool.....	60

HIGHLIGHTS: Senate committee reported Flannagan-Hope research-marketing bill. Senate concurred in House amendments to congressional-reorganization bill. Both Houses agreed to conference report on atomic-energy bill. Senate passed railroad-retirement bill. House rejected bill to provide for site acquisition and design of Federal buildings. House passed bill to designate State Department disposal agency for surplus property outside U.S. House passed vocational-education bill, which increases authorizations for agricultural categories. House concurred in Senate amendments to McNasco bill providing substantive authority for various administrative expense provisions of Independent Offices Act. Senate passed measure to continue authority for alcohol plants to produce sugars. House agreed to conference reports on mineral-leasing and Cooley farm-credit bills. House passed measures to: Amend MLI Act; continue RFC; and regulate garbage importation. House agreed to adjourn sine die Aug. 2.

SENATE - July 26

1. **RESEARCH; MARKETING.** The Agriculture and Forestry Committee reported with amendments H. R. 6932; the Flannagan-Hope research and marketing bill (S. Rept. 1843) (p. 10250). The committee agreed to amendments to reduce the size of the advisory committee to 11 members; to provide that, to the maximum extent practicable, the marketing research ~~and~~ ^{and} ~~line~~ ^{and} cooperation with the States shall be done in cooperation with the State experiment stations and such other appropriate agencies as shall be mutually agreeable to them and the Department, and to provide for a similar arrangement regarding the State extension services with respect to the marketing educational and demonstrational work, and regarding the State departments of agriculture and the State departments and bureaus of markets with respect to the informational, inspection, regulatory work, and other marketing services; to change "full employment" to "maximum employment" in the declaration of policy; to direct the Department to foster and assist in "expanded" markets and uses, both foreign and domestic; to specify research and marketing in connection with the marketing work; to include fish and shellfish as agricultural commodities for the purposes of the bill; and to correct a citation under Sec. 11.

2. **CONGRESSIONAL REORGANIZATION.** Concurred in the House amendments to S. 2177, the LaFollette-Monroney congressional reorganization bill (pp. 10274-87). This bill will now be sent to the President.

As finally passed, this bill provides as follows: Provides that, by Mar. 1 each year, the revenue and appropriation committees shall make an over-all estimate of receipts and expenditures, including a reserve for deficiencies, and

shall report a concurrent resolution (1) to provide for reduction of the public debt if receipts are estimated to exceed expenditures or (2) to express it as the sense of Congress that the public debt be increased by the amount that estimated expenditures may exceed estimated receipts. Provides for at least 3 days between the time an appropriation bill is reported and considered on the floor. Requires that all hearings before standing committees or their subcommittees shall be open except executive sessions for marking up bills or for voting or where the committee by a majority vote orders an executive session. Provides committees and subcommittees with staffs of specialists and permits the House Appropriations Committee to continue its investigation system. Takes steps toward limiting permanent appropriations. Authorizes the standing committees to exercise continuous surveillance of the execution of the laws by administrative agencies within their jurisdiction. Directs GAO to make expenditure analyses of each agency of the executive branch, including corporations. Provides that, except in war or emergency in general Congress shall stand adjourned during July, August, and September of each year, reconvening on the second Tuesday in October. Requires that the Congressional Record include a daily calendar of legislative events, together with resumes of congressional activities and an index of its contents. Increases salaries of members of Congress from \$10,000 to \$12,500, and continues the \$2,500 expense account. Permits members of Congress to retire under the Civil Service Retirement Act. Delegates the handling of claims to the departments and the courts and prohibits introduction of most private bills. Reconstitutes the committees and reduces them in number, but retains the Senate Agriculture and Forestry Committee and the House Agriculture Committee. Authorizes increases in the legislative-reference and bill-drafting services. Provides for changes in committee procedure as regards hearings, meetings, and records. Provides for registration of organized groups and their agents who seek to influence legislation. Provides that the President's Economic Report be filed at the opening of each regular session and that the Joint Committee make its report by Feb. 1. Strengthens the provisions against inclusion of point-of-order items in appropriation bills. Requires the Appropriations Committees to develop a standard appropriation classification schedule which will clearly define subtotals.

3. ATOMIC ENERGY. Both Houses agreed to the conference report on S. 1717, to provide for the development and control of atomic energy (pp. 10302-3, 10325-31). This bill will now be sent to the President.
4. RAILROAD RETIREMENT. Passed with amendments H. R. 1362, to amend the Railroad Retirement Act (pp. 10255-60, 10263-74, 10287-306). Agreed, 40-35, to the Hoey amendment striking out the provision which would extend benefits to employees of freight forwarders and railroad-connected trucking companies (p. 10293).
5. TRANSPORTATION. Sen. Reed, Kans., made a motion for consideration of H. R. 2536, the Bulwinkle bill to amend the Interstate Commerce Act with respect to certain agreements between carriers, but no action was taken (p. 10306).
6. ADMINISTRATIVE PROCEDURE. Public Law 404, the Administrative Procedure Act, was ordered printed as S. Doc. 248 with the legislative history (p. 10252).
7. PRICE CONTROL. Sen. Taft, Ohio, inserted his statement to the effect that the new price-control law is more inflationary than the one the President vetoed (pp. 10306-7).
8. FORESTRY. Both Houses received the GAO audit report on the Spruce Production Corporation (pp. 10250, 10360).



United States
of America

Please return to
LEGISLATIVE REPORTS AND SERVICE SECTION
Office of Budget and Finance

Congressional Record

PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

Vol. 92

WASHINGTON, FRIDAY, JULY 26, 1946

No. 148

Senate

(Legislative day of Friday, July 5, 1946)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Ralph C. John, S. T. M., assistant minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

O God, most merciful Father, our beginning is with Thee; our continuation—to live and to serve—is a gift of Thy providence; and our hope for the near and the far reaches of time is engendered through Thy divine love. We would not accept the challenge of the high tasks to which we look except for the assurance that in matters great and small we do not stand in a feigned self-sufficiency, but that supporting in infinite power are the everlasting arms. Make us conscious of Thy presence in that which Thou hast given us to accomplish; and may every fruit of labor find its roots in a wisdom which Thou dost bestow.

Incline Thine ear unto us as the supplications of our hearts ascend in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., July 26, 1946.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ALBEN W. BARKLEY, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

KENNETH McKELLAR,
President pro tempore.

Mr. BARKLEY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, July 25, 1946, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Overton
Andrews	Hill	Pepper
Austin	Hoey	Radcliffe
Ball	Huffman	Reed
Barkley	Johnson, Colo.	Revercomb
Billbo	Johnston, S. C.	Russell
Brewster	Kilgore	Shipstead
Brooks	Knowland	Smith
Buck	La Follette	Stanfill
Burch	Langer	Stewart
Bushfield	Lucas	Swift
Capper	McCarran	Taft
Carville	McClellan	Taylor
Connally	McFarland	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Mead	Vandenberg
Ferguson	Millikin	Wagner
Fulbright	Mitchell	Walsh
George	Moore	Wheeler
Gerry	Morse	Wherry
Green	Murdock	White
Guffey	Murray	Wiley
Gurney	Myers	Willis
Hart	O'Daniel	Young
Hawkes	O'Mahoney	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Idaho [Mr. GOSSETT] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] is absent because of illness in his family.

The Senator from Missouri [Mr. BRIGGS] and the Senator from New Mexico [Mr. CHAVEZ] are detained on public business.

The Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Wyoming [Mr. ROBERTSON] are absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. WILSON] is absent on official business.

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

LEAVE OF ABSENCE

Mr. TOBEY. Mr. President, I ask unanimous consent that I may be absent from the Senate until some time about the middle of next week. It is imperative that I be absent.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. BROOKS. Mr. President, at the conclusion of today's session I ask unanimous consent that I may be absent for the following week.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. BUSHFIELD. Mr. President, I ask consent to be absent from the Senate for 1 week.

The PRESIDENT pro tempore. Without objection, leave is granted.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 162. An act for the relief of Walter S. Faulkner;

S. 496. An act to make it a criminal offense for certain escaped convicts to travel from one State to another;

S. 1235. An act to authorize the use of the funds of any tribe of Indians for insurance premiums;

S. 1549. An act for the relief of the legal guardian of Duane N. Thompson;

S. 1561. An act to amend the act entitled "Compensation for Injury, death, or detention of employees of contractors with the United States outside the United States," as amended, for the purpose of making the 100-percent earning provisions effective as of January 1, 1942;

S. 1573. An act for the relief of James H. Wilkinson;

S. 1640. An act to provide for the acquisition by the United States of certain real property in the District of Columbia;

S. 1674. An act for the relief of Michael Joseph Bennett, a minor;

S. 1731. An act for the relief of Lester A. Dessez;

S. 1751. An act for the relief of Wayne Parker;

S. 1880. An act for the relief of the Crosby Yacht Building & Storage Co., Inc.;

S. 1910. An act for the relief of George D. King;

S. 2036. An act granting the consent of Congress to the State of Rhode Island to construct, maintain, and operate a free highway bridge across the Sakonnet River between the towns of Tiverton and Portsmouth in Newport County, R. I.;

S. 2247. An act to permit the Secretary of the Navy to delegate the authority to compromise and settle claims against the United States caused by vessels of the Navy or in the naval service, or for towage or salvage services to such vessels, and for other purposes;

S. 2253. An act to further amend the act of January 16, 1936, as amended, entitled "An act to provide for the retirement and retirement annuities of civilian members of the teaching staff at the United States Naval Academy and the Postgraduate School, United States Naval Academy";

S. 2259. An act to amend the Philippine Rehabilitation Act of 1946, for the purpose of making a clerical correction;

S. 2260. An act for the relief of Roy M. Davidson;

S. 2349. An act to permit the Secretary of the Navy to delegate the authority to compromise and settle claims for damages to property under the jurisdiction of the Navy Department, and for other purposes;

S. 2369. An act for the relief of Col. S. V. Constant. General Staff Corps; and

S. 2405. An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes.

The message notified the Senate that Mr. DURHAM, of North Carolina, had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1717) entitled "An act for the development and control of atomic energy," vice Mr. BROOKS, of Louisiana, excused.

The message also announced that the House insisted upon its amendments to the bill (S. 1253) to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structure; to alter or modify their financial obligations; and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. HOBBS, Mr. GORSKY, Mr. REED of Illinois, and Mr. GWYNNE of Iowa were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amend-

783) for the relief of Karl E. Bond; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FERNANDEZ, Mr. HEDRICK, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

LEGISLATION PASSED BY LEGISLATIVE COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Secretary of the Interior, transmitting, pursuant to law, a copy of legislation passed by the Municipal Council of St. Thomas and St. John, V. I. (with an accompanying paper); to the Committee on Territories and Insular Affairs.

REPORT ON COST OF PRODUCTION AND DISTRIBUTION OF FISH ON PACIFIC COAST

A letter from the Chairman of the Federal Trade Commission, transmitting a report of that Commission entitled "Distribution Methods and Costs, Part IX: Cost of Production and Distribution of Fish on the Pacific Coast" (with an accompanying report); to the Committee on Interstate Commerce.

AUDIT REPORT OF UNITED STATES SPRUCE PRODUCTION CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the United States Spruce Production Corporation for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT OF RECONSTRUCTION FINANCE CORPORATION ON SMALL BUSINESS ACTIVITIES

A letter from the Chairman of the Board of the Reconstruction Finance Corporation, transmitting, pursuant to law, the bimonthly report of that Corporation's small business activities during the period April 1 through May 31, 1946 (with an accompanying report); to the Committee on Banking and Currency.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the City Council of the City of Boston, Mass., praying for the enactment of the bill (S. 1592) to establish a national housing policy and provide for its execution, which was ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUFFMAN, from the Committee on the Judiciary:

S. 2378. A bill to amend the First War Powers Act, 1941; with amendments (Rept. No. 1839).

By Mr. MAGNUSON, from the Committee on Commerce:

S. 2318. A bill to amend the act of May 11, 1938, for the conservation of the fishery resources of the Columbia River, and for other purposes; without amendment (Rept. No. 1837).

By Mr. McCARRAN, from the Committee on the District of Columbia:

S. 2374. A bill authorizing the appointment of three additional judges of the municipal court for the District of Columbia, prescribing the qualifications of appointees to the municipal court and the municipal court of appeals, and for other purposes; with amendments (Rept. No. 1838).

By Mr. JOHNSON of Colorado from the

S. 2477. A bill to authorize the Veterans' Administration to reimburse State and local agencies for expenses incurred in rendering services in connection with the administration of certain training programs for veterans, and for other purposes; without amendment (Rept. No. 1840).

By Mr. MILLIKIN, from the Committee on Banking and Currency:

H. R. 2377. A bill to authorize the coinage of 50-cent pieces in commemoration of the one-hundredth anniversary of the admission of Iowa into the Union as a State; without amendment (Rept. No. 1841).

By Mr. HART, from the Committee on Commerce:

H. R. 6030. A bill to amend the Civil Aeronautics Act of 1938, as amended, so as to improve international collaboration with respect to meteorology; without amendment (Rept. No. 1842).

By Mr. RUSSELL, from the Committee on Agriculture and Forestry:

H. R. 6932. A bill to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products; with amendments (Rept. No. 1843).

By Mr. WHEELER, from the Committee on Indian Affairs:

H. R. 4114. A bill to authorize the Secretary of the Interior to sell certain land of Alice Scott White on the Crow Indian Reservation, Mont.; without amendment (Rept. No. 1844).

By Mr. LA FOLLETTE, from the Committee on Indian Affairs:

H. R. 6141. A bill to provide funds for cooperation with the school board of Hunter school district for the construction and equipment of a new school building in the town of Hunter, Sawyer County, Wis., to be available to both Indian and non-Indian children; without amendment (Rept. No. 1845).

By Mr. WAGNER, from the Committee on Banking and Currency:

S. J. Res. 181. Joint resolution to authorize the Secretary of the Treasury to render financial aid to the Republic of the Philippines, and for other purposes; with amendments (Rept. No. 1846).

By Mr. RADCLIFFE, from the Committee on Commerce:

S. 2236. A bill providing for a medal for service in the merchant marine during the present war; with an amendment (Rept. No. 1847);

H. R. 1519. A bill relating to marine insurance in the case of certain employees of the War Department who suffered death, injury, or other casualty prior to April 23, 1943, as a result of marine risks; without amendment (Rept. No. 1848); and

H. R. 3973. A bill to amend the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162), and for other purposes; without amendment (Rept. No. 1849).

By Mr. BILBO, from the Committee on the District of Columbia:

S. 2479. A bill to amend the act entitled "An act to regulate within the District of Columbia the sale of milk, cream, and ice cream, and for other purposes," approved February 27, 1925; without amendment (Rept. No. 1850); and

H. R. 5756. A bill for the retirement of public-school teachers in the District of Columbia; without amendment (Rept. No. 1851).

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

S. 2480. A bill authorizing the appointment of Robert Sprague Beightler as permanent brigadier general of the line of the Regular Army; without amendment (Rept. No. 1852).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select

FILE COPY

Please return to
LEGISLATIVE REPORTS AND SERVICE SECTION
Office of Budget and Finance

AGRICULTURAL RESEARCH

HEARINGS

BEFORE

THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

SEVENTY-NINTH CONGRESS

SECOND SESSION

ON

H. R. 6548 and H. R. 6692

(H. R. 6932 reported)

TO PROVIDE FOR FURTHER RESEARCH INTO BASIC
LAWS AND PRINCIPLES RELATING TO AGRICUL-
TURE AND TO IMPROVE AND FACILITATE
THE MARKETING AND DISTRIBUTION
OF AGRICULTURAL PRODUCTS

JUNE 13 TO JUNE 26, 1946, INCLUSIVE

Serial M

Printed for the use of the Committee on Agriculture



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1946

COMMITTEE ON AGRICULTURE

JOHN W. FLANNAGAN, JR., Virginia, *Chairman*

HAROLD D. COOLEY, North Carolina

ORVILLE ZIMMERMAN, Missouri

STEPHEN PACE, Georgia

W. R. POAGE, Texas

GEORGE M. GRANT, Alabama

PAT CANNON, Florida

VICTOR WICKERSHAM, Oklahoma

JERRY VOORHIS, California

WALTER K. GRANGER, Utah

E. C. GATHINGS, Arkansas

JOHN L. McMILLAN, South Carolina

EUGENE WORLEY, Texas

THOMAS G. ABERNETHY, Mississippi

EARLE C. CLEMENTS, Kentucky

HAROLD H. EARTHMAN, Tennessee

CLIFFORD R. HOPE, Kansas

J. ROLAND KINZER, Pennsylvania

AUGUST H. ANDRESEN, Minnesota

ANTON J. JOHNSON, Illinois

REID F. MURRAY, Wisconsin

CLIFF CLEVINGER, Ohio

GEORGE W. GILLIE, Indiana

EDWIN A. HALL, New York

ROSS RIZLEY, Oklahoma

WILLIAM S. HILL, Colorado

JOHN PHILLIPS, California

CHARLES B. HOEVEN, Iowa

JOSEPH R. FARRINGTON, Hawaii

JESÚS T. PIÑERO, Puerto Rico

KATHERINE WHEELER, *Clerk*

CONTENTS

Statement of—	Page
✓ Anderson, Hon. Clinton P., Secretary of Agriculture	1
Bailey, Fred, legislative representative, National Grange	223
Baver, L. D., director, North Carolina Agriculeural Experiment Station	37, 60
Butler, Senator Hugh, a United States Senator from the State of Nebraska	77
Campbell, Malcolm E., dean, school of textiles, North Carolina State College	119
Clark, Dr. Noble, associate director, Wisconsin Agricultural Experiment Station	38
Davis, John, excecutive secretary, National Council of Farmer Cooperatives	101, 223
Davis, P. O., director, extension service, Alabama Polytechnic Institute	219
✓ Dodd, N. E., Under Secretary of Agriculture	183
Dorman, Dr. Clarence, director, experiment station, Mississippi State College	50
Garner, Albert J., commissioner of agriculture, State of Maine	180
Goss, Albert S., master of the National Grange	82
Harris, Miss Jessie, director, school of home economics, University of Tennessee	66
Holman, Charles W., secretary, National Cooperative Milk Producers Federation	97
Johnson, Cecil, Hinsdale, Ill.	77
Jones, J. M., Wool Growers Association, Salt Lake City, Utah	103
Kemp, Dr. W. B., Maryland Agricultural Experiment Station, College Park, Md.	54
Kildce, H. H., dean of agriculture, Iowa State College, Ames, Iowa	225
Kitchen, C. W., executive vice president, United Fresh Fruit and Vegetable Association	139
✓ Lambert, W. V., Assistant Administrator, Agricultural Research Administration	8
Oley, Warren W., chief of bureau of markets, New Jersey Department of Agriculture	176
O'Neal, Edward A., president, American Farm Bureau Federation	95, 207
Outman, W. T., representing commissioner of agriculture of Florida	182
Randolph, Walter L., president, Alabama Farm Bureau Federation	105
✓ Reports from Department of Agriculture	140, 123
Schenck, Hassil E., Indiana Grain and Livestock Industries	33, 133
Scott, W. Kerr, commissioner of agriculture for North Carolina, Raleigh, N. C.	167
Smith, Russell, representing National Farmers Union	71
Todd, Leon, chairman, national poultry committee, American Farm Bureau Federation	130
Thatcher, H. K., director of division of agriculture, State of Arkansas	164-181
Voorhis, Hon. Jerry, a Representative from the State of California	163
Walker, L. M., commissioner of agriculture for Virginia	179
Weagly, Mrs. Roy C. F., president, Associated Women, American Farm Bureau Federation	136
Wileox, F. R., assistant general manager, California Fruit Growers Exchange	224
Wilson, George H., American Farm Bureau Federation	34, 135
Wingate, H. L., vice president, National Peanut Council	124
Statements submitted	227

AGRICULTURAL RESEARCH

THURSDAY, JUNE 13, 1946

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. John W. Flannagan (chairman) presiding.

The CHAIRMAN. The committee will come to order. We have for consideration this morning H. R. 6548, a bill to provide for further research into basic laws and principles relating to agriculture. The bill would amend what is commonly known as the Bankhead-Jones Act of 1935.

Fortunately we have with us this morning the Secretary of Agriculture, Mr. Anderson, and we will be glad to hear you at this time, Mr. Anderson.

STATEMENT OF HON. CLINTON P. ANDERSON, SECRETARY OF AGRICULTURE

Secretary ANDERSON. Thank you, Mr. Chairman. I think first of all I should say that the statement that the Department will make on this bill comes from the time prior to a formal approval of our suggested report by the Bureau of the Budget. Normally we like to have clearance from the Budget Bureau as to the Department's attitude before the testimony is given, but our report has been there a little while now, and we have not heard from the Bureau of the Budget, but because of our great interest in the bill I intend to go ahead and give the position of the Department of Agriculture and then we will submit the formal report at a subsequent date, if that is satisfactory to the committee.

The CHAIRMAN. That is perfectly satisfactory.

Secretary ANDERSON. You and I have witnessed the greatest industrial development the world has known. This remarkable development has been marked by the increasing use of mechanical power, science, technology, and principles of good management. Expansion and consolidation of industrial units have made possible greater use of power and the employment of technical personnel to apply new developments in science. Progress has been made by increasing the capacity of labor to produce through the use of machines. New processes and products have come through the use of technology. These developments have given to American industry a greater output per worker than in any other country. As consumers of these products we have helped pay the cost and have shared in the benefits.

Agriculture also has made progress. The tremendous production of essential products during the war bears witness to that. This production was made possible by the cooperation of many small units. While industry has expanded into larger units, the size of farms has remained much the same. The size of individual farm operations has not as a rule been sufficiently large to employ adequate technical services. The size of operations has also limited the employment of mechanical power for the more effective use of labor.

Since individual farm units in agriculture are not prepared to provide needed technical services the Federal Government and the States have established the policy of providing these services through research and extension. These services have been rendered by the Department and the land-grant colleges and universities in the States. Most of the functions included under agricultural research and extension have been conducted under cooperative programs between the Department and the land-grant colleges and universities. It will be our policy to strengthen these ties and to encourage greater participation in cooperative planning and service.

We should not forget the plight of our national economy in the period immediately following 1929. You will remember the very unfavorable position of agriculture, the cotton farmer, the tobacco grower, the wheat producer, and the livestock interests. We did not adequately solve the problems of that time. We alleviated their effects by emergency action, action which too often had little relationship to the cause. We lacked basic information to meet such an emergency then and we still lack it due to the inadequacy of personnel and facilities for research.

Agriculture is inadequately prepared in many respects for conversion to a postwar economy. Relatively few of its many units are flexible to change in production on short notice. Much progress had been made in soil conservation and in improved production practices before the war. The war effort has resulted in depreciation of our agricultural resources as well as the resources of the mines and the factory. Business enterprises are accustomed to counting depreciation as a part of their costs; with respect to soils and similar resources, agriculture has not adopted this practice. We have planned to repair this damage to agricultural resources and to renew our efforts in behalf of balanced production and conservation. These programs have never had adequate service from research. Available research personnel and facilities have simply not been adequate for the task. We must not let this continue.

The effectiveness of research in the Department has been increased by the joint efforts of groups working together to provide a broader attack on common problems. The soils specialist has found common ground with the economist in determining the use and management of land. The chemist, the chemical engineer, and the entomologist have found common ground in research for the control of insects. These examples of cooperative approach in research could be multiplied by citing many other cases of effective combined effort. As a result of a plan initiated by the Extension Service 2 years ago periodical meetings are held between the workers in extension and representatives of research in the Department. Through these contacts the extension group has become more familiar with research activities and sources of research information, and research worker

have been acquainted with problems in the field. In this way the results of research are made available to farmers more quickly.

More than 2 years ago your Subcommittee on Postwar Programs gave consideration to the problems of cotton and associated problems of the Cotton Belt. Many representatives of public and private agencies that joined in these deliberations were very positive in their recommendations as to the needs for research. Your committee was conscious of this need and requested the planning of a research program. In the considerations of the problems of the Cotton Belt questions were raised as to whether it was a matter of providing for additional research or the redirection of research now under way. To be certain of this point we have made a careful survey of active research in the Cotton Belt being conducted by the State experiment stations and the Department. Much of the work of these research agencies had already been redirected to postwar problems. The survey of active research also included other research agencies of the Government and private organizations interested in cotton and the problems of the South. When the active research programs of all agencies were examined in relation to the statement of problems it was very evident to me that our present program of research is not adequate to the needs for postwar adjustment of agriculture in the South.

Representatives of the Department and the State experiment stations of the Cotton Belt have cooperated in making a thorough inventory of the agricultural problems of the region and in the preparation of an adequate research program. A copy of the report covering these plans has been made available to your subcommittee on postwar programs. I am sure that your committee planned to give consideration to problems of other regions. We have been reminded by representatives of the national farm organizations and the State experiment stations of other regions that the South is not the only area in which problems exist. Research is needed to guide postwar agriculture in meeting these problems.

It would not be fair to your committee or to the farmers of our country to say that the proposed expansion in agricultural research represents entirely new problems and new research. Many of the more important problems of agriculture, as you know, have been long standing without adequate solution. Research of the recent past has helped to better understand these problems and has pointed the way toward more fruitful approach. In planning proposed expansions in research the Department and the States have emphasized the problems which limit practices of conservation and sound adjustment.

A general summary of the more specific objectives sought may be helpful. The present levels of domestic and foreign consumption of certain agricultural products should not blind us to the fact that we are still vulnerable to the distressing effects of surpluses in farm products due to the lack of information and facilities for preventing them. Industrial research and developments have made possible the substitution of cheaper raw materials for certain primary agricultural products previously used by industry. The use of synthetic fibers in place of the natural fibers, cotton and wool, substitution of cheaper mineral oils for animal and vegetable oils, and the production of commercial alcohol from petroleum products have influenced the normal uses for agricultural products. These are the products of progressive technology. For some purposes the substitute products have been

more useful and the ability to convert the cheaper raw materials into useful products has on the whole made valuable contributions to our national economy. Such substitutions have, however, increased rather than diminished the hazards of surplus production. It has been estimated that the annual production of synthetic fibers is now equivalent to about 4,000,000 bales of cotton.

In approaching these problems through research specific plans have been made to extend the use of agricultural products that are periodically in surplus. The plans would provide research to reduce the cost of producing the primary agricultural commodities and thus regain a part of the market. This is particularly true of cotton where hand labor is still an important factor in its cost of production. The plans also include expansion in research in the utilization of plant and animal products and byproducts. Such research should apply to farm products that are periodically in surplus and to new and old commodities that might be expanded to meet domestic needs. One of the most effective means of controlling undesirable surpluses for certain areas may come from the establishment of substitute crops. The development of soybeans and their industrial utilization in the North Central States is a good example of this. Certain agricultural products are in surplus only during brief periods around harvest time. At other periods of the year the supply may not be adequate for the demand. Research is needed to develop economical measures for processing, preserving, storing, and distributing such products for the use of a greater number of consumers and over a longer period.

The plans for a more adequate program of research have taken into consideration the need for economic and marketing research. Expanded studies are needed to learn more about the factors affecting the supply and demand of agricultural products and the income received by farmers. We need to expand and intensify research directed toward measures that will aid in maintaining an equitable balance between agriculture and other industries. It is important that we know more about the effects of changes in prices and purchasing power upon the supply and demand for agricultural products and upon the income received by farmers from the sale of such products. We need to know the kinds of risks that farmers in different parts of the country have to shoulder when they undertake their production job.

A comprehensive study of the field of risk bearing in farm production is needed as a basis for determining what assistance can be given to farmers by way of insurance or other ways of meeting or overcoming the risks in farm production. Studies are needed on capital requirements and means of financing profitable changes in systems of farming. In many sections of the country it may be necessary for farmers to change their systems of farming considerably in order to maintain soil resources and to realize the highest possible returns over a period of years. The ability of farmers to make such changes is often limited by availability of capital on suitable terms, and by existing debt obligations. The new investments, such as for pasture improvement, will need to be financed over a period of years; and this means that suitable repayment schedules need to be developed. Impending changes in mechanization of production should be carefully examined to determine their possible influence and costs of production and demand for workers now on the farm.

Marketing studies are needed for the improvement of the operation of the present marketing systems to reduce marketing costs and to secure more effective distribution. Adequate marketing facilities need to be established in areas where supplementary enterprises have been established. Studies of trends in production are needed to anticipate and plan for adequate marketing of new products. New developments in processing and preserving farm products will undoubtedly change marketing requirements. These and other marketing problems would be given research attention under the proposed expanded program.

I have touched only the broader phases of problems which require research attention under an expanded research program. The detailed planning which has been done includes the best thoughts of farmers submitted largely through their organizations, the suggestions of industry, and groups of research workers in the Department and State agricultural experiment stations.

The bill, H. R. 6548, provides a sound basis for cooperative effort in obtaining and analyzing the facts needed in solving many agricultural problems. These problems involved production, economics, distribution, utilization, and their relation to national and international developments which affect the welfare of farmers. In the Department's report on the bill we have recommended certain amendments which we believe will make it more effective in accomplishing its objectives. With these amendments the Department strongly urges the passage of the bill.

The CHAIRMAN. Do you have a copy of the proposed amendments?

Secretary ANDERSON. Ordinarily we do not submit the proposed amendments until after the Bureau of the Budget has authorized submission of a report. The amendments have been submitted to the Bureau of the Budget, and I would hesitate to present them, in view of the fact that the Bureau of the Budget report is not available.

The CHAIRMAN. When do you think you will be able to submit the report, including the amendments?

Secretary ANDERSON. It is hard to promise when the Bureau of the Budget will be ready, but we think it will be ready by tomorrow morning. It may be submitted while your hearings are in progress.

The CHAIRMAN. I think it is highly important that the report be submitted at the earliest date possible, so the committee will be able to consider the amendments in connection with the testimony presented.

Secretary ANDERSON. The amendments are relatively simple, so far as the general purposes of the bill are concerned. They are in full conformity with it, and as a matter of fact, Dr. Lambert is to testify on the bill and will refer to some of the amendments as a part of his testimony, but I think I am forbidden under the rules to submit those amendments to you formally now, until the report is submitted.

I just want to say in closing, Mr. Chairman, that the point that has appealed to the Department so strongly has been that we have made studies of the amount of money available to large organizations for research. A large manufacturing concern that is able to produce, let us say, a large percentage of the total output of automobiles or radios or some other industrial product, can afford to spend a large proportion of its income for research, and the total of its sales is so large that that amount of money is significant and considerable, and

a real job in research can be done. There is no individual farmer, and there is no individual State, that handles enough of the agricultural problems so that its research can be on the scale that we think your committee would like to support, and that we in the Department would like to recommend, and that is why we have so strongly advocated the proposal for large research measures.

The CHAIRMAN. I have just been advised that the sum set aside by the Celanese Corp. for research work would open our eyes to the importance of research.

Mr. HOPE. I would like to ask a question or two before the Secretary leaves. In the amounts that are authorized to be paid to the institutions—well, Mr. Flannagan suggests that I might direct my questions to Mr. Lambert when he comes on, and I will be very glad to wait.

Secretary ANDERSON. I would appreciate it if you would, Mr. Hope. There are some people waiting for me at the Department, and I did want to come up and assure this committee personally that this is something in which I am greatly interested, but I do believe the representatives of the Agricultural Research Administration should testify on the technical points.

(The following report was submitted by the Department of Agriculture:)

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., June 14, 1946.

HON. JOHN W. FLANNAGAN,

Chairman, Committee on Agriculture, House of Representatives.

DEAR MR. FLANNAGAN: This is in reply to your request of May 29 for a report on H. R. 6548, a proposed amendment to the Bankhead-Jones Act of June 29, 1935, to provide for further research into basic laws and principles relating to agriculture.

The Bankhead-Jones Act of 1935 among other purposes provided for research into basic laws and principles relating to agriculture and the more complete endowment and support of land-grant colleges. The bill, H. R. 6548, would provide for further research into basic laws and principles relating to agriculture, and in addition authorize research on new agricultural problems which have developed since the Bankhead-Jones Act was passed. It would authorize further research by the State agricultural experiment stations (in Puerto Rico, the States, and Territories) (1) on agricultural problems within State borders, and (2) regional research on problems common to two or more States. Authorizations for the Department would provide (1) for further research on the utilization of farm commodities and (2) additional research on regional and national problems.

It is the opinion of the Department that the proposed amendment provides adequate authority and machinery for the administration and coordination of the research authorized. The proposed authorization for research on regional problems by the State agricultural experiment stations and the Department should promote greater cooperation and concentration of effort on major problems common to two or more States.

We are pleased to know that your committee will give consideration to the matter of assuring agriculture a position in research which will aid in the development of a more equitable balance between agriculture and other sections of our economy. Agriculture, as you know, has been handicapped due to the lack of basic information that can only be obtained through research.

During recent months, we in the Department have made a special study of the problems of the cotton farmer. Some of this work, as you know, was done at the request of the Subcommittee on Postwar Programs of the Committee on Agriculture of the House of Representatives. We have sought the advice of farm representatives and public and private research agencies with reference to the primary problems of cotton producers and with reference to a complete inventory of research now underway. After reviewing the careful analysis of this survey, I am convinced that we are in need of a greatly expanded research pro-

gram to aid cotton growers in their postwar adjustments. Additional research is needed to extend the utilization and market outlets for cotton. Guidance will be needed in economic adjustments and conservation, the use of mechanical appliances and the adoption of enterprises which will contribute to better living economy. In the study of needs for research on problems of the Cotton Belt it was estimated that such a research program would cost approximately \$17,000,000 annually. The report covering these studies and plans has been made available to the Subcommittee on Postwar Programs.

Similar studies are being made in other areas of the country where problems of the grain grower, livestock producers, fruit and vegetable interests, tobacco growers, and other groups are also important. If these problems are to be met effectively, it will be necessary to have much more basic information than is now available. In view of existing problems which have come to my attention I heartily concur in the purposes of this amendment.

In the study of the bill as introduced questions have arisen as to the interpretation and effect of certain provisions. The following amendments are suggested:

Reference to the Hatch Act of March 2, 1887 on page 6 lines 13 and 14 gives the impression that certain authority under this bill is derived from the Hatch Act. Since the preceding statement is sufficient without reference to the Hatch Act, it is suggested that the words "in accordance with the provisions of section 6 of the act of Congress approved March 2, 1887 (Hatch Act)" be deleted and that the sentence end with the word "stations" in line 13 of page 6.

In section 10 (a), page 9, line 8, following the word "utilization" delete the word "of" and add "and associated problems relating to the development of new and extended uses for". This addition would provide for needed services to the utilization program, such as production of farm commodities of known source and history, etc.

After the first paragraph on page 10, it would be desirable to establish a policy as to where the utilization research should be carried out. This could be done by adding a new paragraph as follows:

"Research authorized under this subsection shall be conducted so far as practicable at laboratories of the Department. Projects conducted under contract with public and private agencies shall be supplemental to and coordinated with research of these laboratories."

At the bottom of page 10, line 23, delete the word "and" following the word "industry," and add "and consumers" after the word "science."

It is possible that the use of the word "cooperative" in line 5, page 11, of the bill might prevent the Department at times from using these funds to carry out needed research of national and international significance in which individual States might not have an active interest. We would therefore suggest deleting "cooperative research" and add following the word "for", "research on regional and national problems, which so far as practicable shall be conducted in cooperation with". Beginning with the word "and" in line 6, delete the remaining words in line 6 and all of lines 7 and 8 through the word "concerned" in line 9.

In section 11, page 12, line 10, delete the word "a" and add "an advisory". In the same sentence delete "two" and substitute "eight". End the first sentence of section 11 with the word "persons" and delete the remainder of the original sentence. Add a separate sentence as follows: "In the selection of this committee due consideration shall be given to representation from the general national farm organizations."

In section 10 (d), page 12, it is suggested that a statement of the provisions for the special research fund would be preferable to the statement of exception in section 10 (d) on page 12. To make clear the purpose intended under section 10 (d), it is suggested that the following substitution be made:

Strike all of that part of section 10 (d) following the word "shall", and substitute in lieu thereof the following: "continue to be available solely for the following purposes: Research into laws and principles underlying basic problems of agriculture in its broadest aspects: research relating to the improvement of the quality of, and the development of, new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and byproducts and manufacturers thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes. Research authorized under this section shall be in addition to research provided for under other law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish."

The Director of the Bureau of the Budget has advised this Department as follows:

"While the bill as at present drawn cannot be considered as in accord with the program of the President, it would not be in conflict therewith if modified in the following respects:

"Grants to States and Territories for agricultural research have increased from approximately \$5,000,000 in 1936 to \$7,500,000 in the 1947 Budget. Existing authorization for such grants is still \$341,292 in excess of the annual appropriations. It is recognized that over the period above cited, our economy has reached a materially higher price level, that research work is consequently more expensive, and also that the field of essential study has expanded with respect to agriculture as it has in all other areas of human knowledge. In view of these considerations there would be no objection to legislation increasing the authorizations for research grants by as much as 50 percent.

"The apportionment formula written into the bill takes into account the ratios of farm population and rural population of each State or Territory to total farm and rural populations. This formula would operate to give numerous States substantial additional grants without requiring any contribution from them over that now being made. In many other cases, notably those of the poorer States where the need for intensified research is greatest, the States would have to increase their own contributions in order to qualify for the new grants. In view of the varied formula already prescribed in law, which are the cause of much confusion and unnecessary expense, provision should be made in any new legislation authorizing research grants for a uniform and soundly developed apportionment system which would apply to all existing Federal grant legislation and attain the closest possible relationship between the fund apportionments and the demonstrated needs. It seems to me, in this connection, that a formula in line with the recently enacted National School Lunch Act would be more desirable.

"With respect to section 10 of the bill which would authorize appropriations for additional research by units of your Department, it appears that you already are authorized in law to carry on research in each and all of the fields specified, lacking authority only to enter into contract with public or private organizations to carry on research work as provided in section 10 (a). Therefore, while there would be no objection to legislation granting this special authority, the general authorizations in section 10 (a) and (b) appear to be unnecessary.

"The provision for certain percentages of total amounts authorized to be appropriated for administrative expenses cannot be accepted as a good practice. The authorization of 3 percent of the sums appropriated for administrative expenses under 9 (c) and 10 (c) should be amended to provide for such amounts as Congress determines from time to time to be necessary.

"This office is in agreement with your suggested revision of the bill which directs the Secretary to appoint an advisory committee. Lastly, in the interests of good legislative drafting, section 10 (d) should quote the original language of the Bankhead-Jones Act of 1935."

Sincerely yours,

CLINTON P. ANDERSON, *Secretary.*

The CHAIRMAN. We thank you, Mr. Secretary.

Now we have Mr. Lambert, Assistant Administrator of the Agricultural Research Administration. We will be pleased to hear you, Mr. Lambert.

STATEMENT OF W. V. LAMBERT, ASSISTANT ADMINISTRATOR, AGRICULTURAL RESEARCH ADMINISTRATION, DEPARTMENT OF AGRICULTURE

Mr. LAMBERT. Mr. Chairman and gentlemen, I have a short statement relative to some of the provisions of the bill which I would like to present.

The CHAIRMAN. Suppose you do that before we proceed to ask you questions.

Mr. LAMBERT. This bill proposes the enactment of an amendment to the Bankhead-Jones Act of June 29, 1935, which would provide for further research by the Department and the State agricultural experiment stations into laws and principles basic to agriculture, and, in addition, would authorize research on new agricultural problems which have developed since the Bankhead-Jones Act was passed. It is proposed to accomplish this purpose by modifying the authorization in section 1 of the Bankhead-Jones Act. The amendment would authorize further research by the State agricultural experiment stations (1) on agricultural problems within State borders, and (2) regional research on problems common to two or more States.

Authorizations for the Department would provide for further research on the utilization of farm commodities, and additional cooperative research on regional and national problems.

The proposed amendment provides adequate authority and machinery for the administration and coordination of the research authorized.

Funds provided by the proposed bill could be used by State agricultural experiment stations to cooperate with other experiment stations and the Federal Government on problems which extend beyond State lines and which the individual States can not undertake alone. Participation in such research would permit the individual States to secure results and corresponding benefits more efficiently by pooling of facilities and by better utilizing the resources of trained staffs. The proposed bill would permit the State stations and the Department to participate in and take full advantage of such cooperative research.

In addition to the new authorizations added in section 1, the proposed bill would add three new sections to the Bankhead-Jones Act to provide funds for carrying out the provisions of revised section 1. The first of these—section 9—authorizes an appropriation of \$2,500,000 for the fiscal year ending June 30, 1947, and increasing sums thereafter for research to be carried on by the State agricultural experiment stations. Seventy-two percent of this sum would be allotted to the individual States and Territories, partially in equal amounts to each State and Territory, and partially on the basis of both rural and farm population. These sums would be made available to any State only on condition that the State would expend an equal amount from its own funds for agricultural research.

One-fourth of the total amount of the appropriation authorized by this section would be allotted to the States for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State. The projects to be studied under such allotments would be recommended by a committee elected by the directors of the State agricultural experiment stations and approved by the Secretary of Agriculture. These allotments for cooperative research would not need to be matched by the States receiving them.

The remaining 3 percent of this appropriation would be available for administration.

Section 10a authorizes an appropriation to the United States Department of Agriculture of \$3,000,000 for the fiscal year ending June 30, 1947, and increasing sums thereafter to carry out further research

on the utilization of agricultural commodities. This section also authorizes the Secretary to enter into contracts with other qualified public and private organizations for such research and to establish and consult with appropriate technical committees for the consideration of research proposed under this subsection.

In order to clarify the meaning of this subsection, the Secretary of Agriculture in his report on the proposed bill recommends certain changes, as follows:

1. That language be added to make possible the study of problems associated with the development of new and extended uses for agricultural commodities. This would provide for needed services to the utilization program, as for instance the production of farm commodities of known source and history.

2. The addition of language to clarify policy as to where the utilization research should be carried out. This could be done by adding the following:

Research authorized under this subsection shall be conducted so far as practicable at laboratories of the Department. Projects conducted under contract with public and private agencies shall be supplemental to and coordinated with research of these laboratories.

3. By making provision for inclusion of consumers on the technical committee which he is authorized to establish, as well as representatives from producers, industry, and science.

Section 10 (b) authorizes an appropriation to the Department of \$1,500,000 for the fiscal year ending June 30, 1947, and increasing sums thereafter to carry out research of the type authorized in section 1 other than that on the utilization of agricultural commodities. Such research is to be cooperative with the State agricultural experiment stations and other appropriate agencies, and the funds appropriated to the Department under this subsection represent the Department's contribution to the conduct of research on the regional problems provided for elsewhere in the bill. The function of the Department in discharging this responsibility is to study those aspects of regional and national agricultural problems which extend beyond State lines and which are of such a character that the individual State cannot readily undertake their solution alone. This is the reason why successful attack on broad agricultural problems requires both Federal and State participation.

The emphasis in this subsection is on cooperative undertakings with the State agricultural experiment stations. A modification of the language is suggested in the Secretary's report on the proposed bill in order to make the cooperative provisions more elastic. This would permit the Department to cooperate with any organization that could contribute to the solution of regional and national problems.

Section II authorizes the appointment of an advisory committee to advise and consult both with the experiment stations and the Secretary of Agriculture concerning the research programs to be carried out under the proposed bill. We consider the setting up of such a committee highly desirable. It would enable the Department and the experiment stations to have counsel and suggestions from representatives of farmers throughout the country. Under the bill as introduced, this committee would consist of "two persons from each of the four general national farm organizations." While we consider representation from these organizations desirable and advantageous,

it is suggested that since it would be a matter of permanent law the language be revised to provide greater flexibility in the selection of this committee.

The CHAIRMAN. Now, Doctor, before you proceed to answer questions relating to the general problems which you and the Secretary are considering, I want to call attention to H. R. 6692, introduced by Congressman Hope on June 6, 1946, to improve and facilitate the marketing and distribution of agricultural products. At that time I stated that Congressman Hope's bill struck me as having real merit, and I told you that I wanted to have the bill redrafted so it would appear as title 2 of the Bankhead-Jones Act, and I am going to furnish you with a copy of the bill and ask you to make a study of it, and we will call you back later to get your opinion.

At this time I wish you would just confine your discussion to H. R. 6548, because while we want to incorporate the Hope bill in title 2, we will go into that testimony after you have had an opportunity to make a study of the problem. Now I think the committee would like to know the mechanics of H. R. 6548, as set forth in the bill.

Mr. LAMBERT. The bill would provide, Mr. Chairman, for grants to the States on the same basis as provided in the Hatch Act, of 20 percent of the funds; that is, each individual State would have an allotment of the funds on the basis as provided for in the Hatch Act.

The CHAIRMAN. The first provision of the bill certainly assumes that the States will carry on experiments.

Mr. LAMBERT. That is right—this 20 percent plus 52 percent, which I have not yet come to.

The CHAIRMAN. For State experiment stations.

Mr. LAMBERT. That is right, and under the administration of the Office of Experiment Stations in the Department.

The CHAIRMAN. To be spent at the State level.

Mr. LAMBERT. Yes; expended at State level.

The CHAIRMAN. So several of the States could unite in working out their problems on a regional basis.

Mr. LAMBERT. Yes; I think that is the general plan, the proposal of the States. In fact, the States have been more and more in the last few years working on that basis, recognizing that there are some problems where they can work to advantage in the solution of those problems, and they could expend some of those funds for that purpose, if they so desire. That would be up to the individual State directors of experiment stations.

The CHAIRMAN. Take cotton, for instance. It would be the height of folly for one cotton State to be experimenting on the same research problem that another cotton State was experimenting on. There should be a joint effort there.

Mr. LAMBERT. I think that is right.

The CHAIRMAN. The same would be true of wool. The same would be true of tobacco, and this bill would permit that cooperative undertaking by the States affected by common problems.

Mr. LAMBERT. That is right, sir.

The CHAIRMAN. Then the bill would turn certain funds over to the Secretary of Agriculture. Explain to the committee just what the Secretary would do with these funds.

Mr. LAMBERT. The major part of these funds, \$15,000,000, would be used for research on problems of utilization of products, for instance,

in finding outlets for cotton, better outlets, and working on problems that would make cotton better able to compete with nylon and rayon. There has been a good deal of work of that type down in our southern laboratory during the war on cotton cord, for example, for tires. Some work of that type has been done, and this particular fund would be for work on the utilization of those agricultural commodities. It would also give the Secretary authority to contract with other outside agencies, with institutions that are working on specific problems concerned with the utilization of products, that might be able to make some contribution to the problem and would enable the Department to, if necessary, after they had worked out something that looked very desirable, to go out and utilize facilities by cooperation with some organization to actually see how the thing would work in practice. Sometimes when you work things out in the laboratory you think they look very good, but there may be bugs in them when you put them into practice.

The CHAIRMAN. But the Secretary would have the opportunity under that section of the bill to use some of the research institutions that are already established.

Mr. LAMBERT. That is right. And I think even broader than that, he can get out and use a plant, if necessary, in actually trying to carry the thing out. That has been one of the bottlenecks so far, and we have had the pilot plants in the regional laboratories, large regional chemistry laboratories, but in some cases they have not been able to carry the thing far enough so that industry felt justified in taking the thing over.

Mr. MURRAY. Mr. Chairman, I wonder if this bill does not go far beyond the statement that the gentleman makes. I don't think it is the function of the Government to pick out one part of agriculture and say that we want to spend public money to try to improve it and make it so much better than some other agricultural product, like cotton and rayon, for instance. I don't have any rayon mills in my district, but if the rayon industry is going to compete with other things I don't think it is a good use of public money to go out and try to improve some other commodity, to make it better than another one. I don't think we should have experiments out in Wisconsin for the purpose of proving that milk in the form of cheese is much better for people than it would be to use it for butter over in Minnesota. I don't think that is desirable.

Mr. POAGE. Does the gentleman take the position that it is improper to use public money to inform the people that good butter, perfect butter superior to margarine, can be made out of cottonseed oil?

Mr. ANDRESEN. The very reverse of that is true.

Mr. POAGE. I would like to ask the gentleman whether he believes it is right to spend Government money for that purpose?

Mr. MURRAY. I believe it is right to spend public money to protect the public from a bunch of racketeers who are misleading the American people into eating a concoction that hasn't got much nourishment in it. If they can prove that it is good butter, I would be willing to admit it.

Mr. HOPE. Isn't it a fact that it is just the other way, as stated by the gentleman from Texas?

Mr. POAGE. The gentleman from Texas didn't say a thing. I just asked the gentleman a question, and the gentleman has not answered it.

Mr. HOPE. Let me ask this question: Isn't it a fact that the Department of Agriculture has been following the policy of trying to convince the people that oleomargarine is better than butter?

Mr. ANDRESEN. There is no question about that.

Mr. MURRAY. I don't go into that, Mr. Hope.

Mr. HOPE. Isn't that the policy that has been followed by the Department of Agriculture?

Mr. MURRAY. Yes; but I would rather stick to cotton, because I went out to see an experiment with cotton one day—which doesn't represent 10 percent of the agricultural income of the country—and I asked the people that were running the experiment if they had ever done anything on rayon, and they didn't have any information at all about rayon. I don't happen to live in a district that produces rayon, but if I did, I would rather like to know whether rayon is good stuff or is not, and I think that public money should give us that information.

Mr. PACE. Isn't there this distinction, that under the law the Department of Agriculture was set up to advance the cause of agriculture and promote the interest of the farmers of the Nation, and that there certainly is justification for the Department doing everything possible to advance the purchase and sale of any agricultural commodity? Somebody else is looking after rayon, but the Department of Agriculture was established to look after the farmer.

Mr. MURRAY. But the Department was not established to look after one section or one group of agriculture. It has got to be a straight-across-the-board activity, and I think we are going to get ourselves on dangerous ground if we have the avowed purpose of looking after one group as opposed to another, and I think that public policy in connection with this work demands that we have got to be very careful to do it for the public good and not for some particular branch of the industry, but the objective should be that it is done for the public good.

Mr. LAMBERT. I think the bill provides for a finding of fact that would help agriculture, would help the people who produce these products to find an outlet for them. We would not carry it beyond that. In research in industry our research would be directed to finding ways and means in which these products of agriculture could be better used by industry, by the public in general. That is the function of the research part of it.

Mr. MURRAY. In answer to that, here is another example. If this new plan of taking nitrogen out of the air by using high temperature and cheap fuel is followed, and if it is made practicable and made feasible and made as profitable as evidently it can be, I don't think that our responsibility is to worry about what will happen to some nitrate interest in this country or any other country. That is information that the American people are entitled to have, and the commercial part goes along with it. TVA has been the architect producing nitrogen for the Nation. If the University of Wisconsin becomes the architect and is able to produce nitrogen for half of what TVA can, why should not America be entitled to that information?

Mr. LAMBERT. I think they should. In fact, I think the findings of research are going to be made generally available, and research people are not going to hold back the information which will be of public benefit.

The CHAIRMAN. One of the principal purposes of the legislation is to try to develop new uses for agricultural products.

Mr. LAMBERT. Well, that would be one result of it, Mr. Chairman.

The CHAIRMAN. You think that would be one of the prime objects?

Mr. LAMBERT. Yes, that is right, to find outlets, new uses for agricultural products, so they will be able to compete with products produced by industry, as the Secretary mentioned.

Mr. MURRAY. Competition should be broadened out here, because the farmer is not only going to compete just with industry, but also he has got to compete with the rest of the world. Is that right?

Mr. LAMBERT. That is probably so; yes.

The CHAIRMAN. There is another provision in the bill, to provide for joint activities by the Department of Agriculture and the State experiment stations.

Mr. LAMBERT. That is right, sir. Do you want me to speak on that?

The CHAIRMAN. Yes, I wish you would.

Mr. LAMBERT. That fund would make it possible—first, I might say that in these regional problems there would be joint planning, there would be planning between experiment stations and the Department on the one hand, working as a team to get at some of these major regional and national problems.

Then that fund would provide for the Department a fund whereby they could utilize their trained specialists in the solution of those problems. That fund is for that purpose.

Mr. HOPE. I would like to have you develop a little more the purpose for which the money provided in section 10 would be used. The language does not say very much to me. It says: "In order to carry out further research on utilization of agricultural commodities and products thereof." Then it provides equal sums annually of \$3,000,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year; an additional \$3,000,000 for the fiscal year ending June 30, 1948, each subsequent fiscal year, and so on up to June 30, 1951. What did you have in mind there?

Mr. LAMBERT. I am thinking of large problems here that cut across a great many States. Just as an example, there might be problems, Mr. Hope, that would be common to ways and means of maintaining the soil and developing systems of management for the Wheat Belt that would best enable the farmers over long periods of time to maintain high production. That would be one type of problem. Another type of problem might concern, for instance, the breeding of cattle, the breeding of beef cattle. There is a great deal of interest in the Western States at the present time in developing ways and means of making their beef cattle more efficient. The directors of a number of experiment stations have expressed a great deal of interest in that problem.

In the cotton South there are also many problems concerned not only with the problem of maintaining soil fertility and that sort of thing, which cut across large areas of the country. There are a great many problems. The Department has made an extensive study in cooperation with the southern experiment station people and with industrial people in the farm organizations of the problems. Dr. Winter, I believe, would be qualified to give you more detail on that than I would, Mr. Hope. If you would like to have him speak on that, he is here and I would be glad to have him do so.

Mr. HOPE. Let me ask this further question: Would there be any conflict—or overlapping, rather—between the money under 10 (b) and the 25 percent under section 9?

Mr. LAMBERT. I think they would be supplemental rather than overlapping. There would be very close coordination in the planning of the programs so they would dovetail, would go hand in hand; one supplementing the other. That is the way the Department has very largely worked with the stations, and this would provide for the extension of those programs.

Mr. HOPE. You think there would not necessarily be overlapping of the programs, should not be overlapping if they were properly planned and the activities were carried out under the new functions?

Mr. LAMBERT. No; there would not be overlapping.

Mr. HOPE. The selection of the purposes for which the funds allocated under 10 (b) would be carried out would be up to the Department? You would select the purposes for which that money would be expended?

Mr. LAMBERT. That is right, in consultation, of course, with the experiment-station people.

Mr. HOPE. And I assume if you acted in consultation with the experiment-station people you would be in a position and they would be in a position whereby you could all agree upon the proper expenditure of both the funds in such a way that there would be no overlapping?

Mr. LAMBERT. We try to cover the whole range of problems more completely in that way. There are so many problems confronting agriculture that by this sort of process of planning we would be able to get better coverage than if we each tried to go out and solve the problems ourselves.

Mr. HOPE. I am wondering if you think there would be any danger of any duplication of work in the expenditure of the 52 percent spent under the provisions of section 9. Is there likely to be half a dozen States or more that might be carrying out similar types of research that could very well be done in one or two places?

Mr. LAMBERT. I think this bill would stimulate very greatly the tendency to get away from that very thing. It would provide the mechanism whereby they could, and would, encourage the States actually to get together and eliminate some of that. On the other hand, there are a great many problems, as you well know, that are problems local to the States, and there must be some of what might look like duplication but really is not duplication because of the variations in soil types and variations of conditions in the States, but I think it would encourage in a very broad way and get away from the very thing that you have mentioned there.

Mr. HOPE. There isn't anything in this bill, though, which of itself would prevent that; is there? That is, you have no strings on the money when it goes to a State, as to how it shall be spent, except that it must be spent for some particular type of research?

Mr. LAMBERT. The Office of Experiment Stations approves all of the projects before there is any expenditure.

Mr. HOPE. They would have to approve all the projects that were undertaken with this 72 percent?

Mr. LAMBERT. That is right.

Mr. HOPE. That is under section 9. Now, let me ask you another question about section 10 (a). It has been rather talked around here that most of that money was going to be spent on cotton research, and I wondered if that was your idea of the matter, or whether your thought

is that it should be divided up among the different agricultural products, not by any formula based on the importance of the product or anything of that kind, but based on the need for research in the way of finding markets and developing new uses and that sort of thing?

Mr. LAMBERT. I think it would, in a broad way, be expended where the problems really existed. Remember that in the last section of the bill there is an advisory committee which would advise with the Secretary and the experiment stations on where the pressing problems of agriculture are, and I think that that would help guide the Department and the experiment stations, probably, in picking out the really pressing problems. Of course, we know cotton is a very pressing problem at the moment, and certainly the Department would be interested in trying to help out in the solution of some of those problems, and I believe the directors of the experiment stations as a whole would be available probably in the beginning to undertake what may be our No. 1 problem, but certainly over the long pull it would be expended on problems wherever those problems existed.

Mr. HOPE. Would you think it would handicap you in any way if there should be an amendment to the bill which would place a limitation upon the amount of money which could be expended on any one commodity? I don't mean the narrow limitation, but I mean some limitation—I had in mind, say, 40 percent, 30 percent—something of that kind. I realize that you might want to tackle some big problem that might be more pressing at the time than some other problems, and I think you ought to have authority to use the money to meet those problems as they come up, but I am wondering if you would think it would be any handicap to your work if we put a limitation of something like 40 percent—that no more than 40 percent of the amount should be expended in any one year on one commodity.

Mr. LAMBERT. My personal opinion on this would be that you would get greater flexibility and probably a better solution of the problems if there were no limitations; that is, I think by the advice of this committee, this broad general committee that is going to be able to advise, and with that mechanism I believe you would have greater flexibility if there were no limitations placed upon expenditures—that is, there would be freedom to undertake problems with a minimum of limitation.

Mr. HOPE. Of course, you have greater flexibility. There is no question about that, but would the lack of that flexibility be a handicap to you in carrying out the work?

Mr. LAMBERT. It would in certain cases. I don't know to what extent, Mr. Hope.

Mr. HOPE. Do you think there might be times when you would want to spend more than 40 percent of the entire program on one commodity?

Mr. LAMBERT. I can see that such cases would arise, not probably but conceivably they might.

Mr. HOPE. That is all, Mr. Chairman.

Mr. HOEVEN. I would like to call the committee's attention to section 10 (b), along the line that the gentleman from Kansas is concerned about, limiting these funds. If you will notice the reading of that section (b), page 11:

In order to carry out further the purposes of section 1, other than research on utilization of agricultural commodities and the products thereof, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated for cooperative research with the State agricultural experiment stations and such other appropriate agencies as may be mutually agreeable—

and so forth.

In my judgment that throws the gates wide open, with no restrictions at all other than research. There is permitted here a cooperative research with such other appropriate agencies as the Secretary may designate and approve by the experiment stations—practically any kind of research work not related to agriculture. It might deal with the kind of shoes that farmers should wear. It might go into the field of manufacturing cement. There is absolutely no limitation on that section as to what can be done, because it is in addition to any research relating to agricultural products. It seems to me there could well be some limitation placed in there along the lines suggested by the gentleman from Kansas, placing some restrictions on this section (b).

Mr. HOPE. Certainly the committee should look into that.

The CHAIRMAN. That fund is a joint fund operated by the Secretary and the experiment stations together.

Mr. LAMBERT. Mr. Chairman, I would like to give you an example of what we were thinking when we were considering the development of this bill, and when we worked with the other folks on it. There might be a problem concerned, say, with some phase of rural housing, as an example, where none of the experiment stations, or even the Department, might have the facilities to go out and do a specific type of job, and we need to go to some organization that has a specific kind of facility. That is the type of thing we had in mind.

Mr. HOEVEN. But then aren't you going far afield? You are going into housing problems, and you are going to talk about the kind of shoes that the farmer should wear, what kind of cement is best. There is absolutely no limitation here. And you can cooperate with "such other appropriate agencies." What agencies are they?

Mr. LAMBERT. But it says:

In order to carry out further the purpose of section 1.

Mr. HOEVEN. Other than research on utilization of agricultural commodities and the products thereof. You get clear away from that, and you are going into a new field here. You can cooperate with "other appropriate agencies," which I assume are agencies of government. You could go into housing, you could go into any kind of activity.

Mr. LAMBERT. Housing would be a very appropriate activity as far as it relates to the rural family.

Mr. HOEVEN. I do think this provision is entirely too broad.

The CHAIRMAN. That joint fund set up is to be used by the Secretary and the directors of the experiment stations, and if any of that fund was allotted to other agencies it would have to be on the joint action of the Secretary and the directors of the experiment stations.

Mr. LAMBERT. That is right, sir.

Mr. HOEVEN. Mr. Chairman, what are the "other appropriate agencies"?

The CHAIRMAN. Well, I don't know. That is pretty broad.

Mr. LAMBERT. Let me give you an example.

The CHAIRMAN. It may refer to research problems that they want to work out with some other agencies, equipped to do that kind of work, if the Secretary and the director of the experiment station thought that that particular problem should be referred to some established private agency that has the facilities for making the search.

Mr. LAMBERT. That is right, sir. I might just cite one more example in connection with the studies on this disease polio paralysis at the regional poultry laboratory at Lansing, Mich. Rather recently a case came up that it looked important to us to raise chicken under absolutely aseptic conditions, so we could eliminate all disease possibilities and try to get at the cause of this organism. Only one place in the country had facilities of that kind, and that is the University of Notre Dame. We developed a cooperative undertaking to get an answer to that particular problem. There will arise such occasions. They will not be numerous, but such cases may arise.

The CHAIRMAN. Now, Doctor, the thought that Mr. Hoeven expressed with reference to a limitation on the use of the funds applies with respect to the funds provided for in section 10 (a) rather than 10 (b).

Mr. LAMBERT. Section 10 (a) cover utilization.

The CHAIRMAN. That is what he had in mind. Mr. Hope expressed some doubt as to whether it should be wide open or whether we should place a limitation on it.

Mr. HOPE. Let me ask one more question, Mr. Chairman. I would like to ask Dr. Lambert if there would be any conflict between the work which would be done under this bill and the work that is now being done by the four regional laboratories?

Mr. LAMBERT. It would be coordinated very closely with that, Mr. Hope. Probably we might in a great many cases actually develop facilities at the regional laboratory which would supplement what they are now doing.

Mr. HOPE. It would be your purpose to coordinate the work?

Mr. LAMBERT. To coordinate, correlate the work very closely.

Mr. PACE. Dr. Lambert, I have an idea that the future of farming is tied up with the research laboratory. Do you think so?

Mr. LAMBERT. We believe that is so; yes, sir. We believe we can certainly contribute to the solution of many of the problems, and that if agriculture does not have an efficient research establishment it is going to have pretty tough competition.

Mr. PACE. And you also agree that, due to the fact that the individual farmer has neither the means nor the resources to carry on research, the only agency available is the Federal Government acting for all the departments?

Mr. LAMBERT. Federal and State Governments together.

Mr. PACE. At this time, in the marketing of most of our farm commodities they must be marked in harvest time. Is that right?

Mr. LAMBERT. I don't know about that. I am not able to give you an answer, Mr. Pace, as to what percentage would have to be marketed at harvest time. Probably some commodities the amount would be rather high, others less high.

Mr. PACE. I mean at the present time we generally do not have an orderly marketing system for farm commodities.

Mr. LAMBERT. I think in general that statement is correct, sir.

Mr. PACE. Principally due to the fact that most of them have to be thrown on the market, either on account of the nature of the commodity or for other reasons, at the time they are harvested, for the most part. Is that true?

Mr. LAMBERT. In general, for some crops, I think it is very largely true. I am not an authority on the marketing organization.

The CHAIRMAN. Right in that connection, Mr. Pace, the marketing aspects of this problem are covered by the bill introduced by Mr. Hope, which, I understand, would coordinate the activities of the Department here in Washington and integrate the marketing here with the marketing system down at State level, and I hope that the other members of the committee will make a thorough study of it with the idea of taking marketing out of the 6548 and transfer all the marketing activities to the Hope bill, to be added to this legislation as title II.

Mr. PACE. Of course, I intend to study that bill very closely, Mr. Chairman, in cooperation with Mr. Hope.

Doctor, do you know anything that can mean more to the farmers of this Nation than to establish through research and other means some method whereby they can be in a position to withhold their commodities from the market during the surplus marketing period?

Mr. LAMBERT. Well, I certainly would put that problem very high on the list of important things, Mr. Pace. I don't know just where I would put it, because, as I say, I am not familiar enough with the marketing system as a whole to give you an answer as to whether it would be the No. 1 problem. Certainly it would be a very important problem.

Mr. PACE. I put it high for this reason, Doctor: At the present time, during the heavy marketing, during the harvest season, in normal times the farmer has very little to say about the prices he receives for his commodity.

Mr. LAMBERT. Correct.

Mr. PACE. The buyer names the price. Can't you see how important it would be for him and how it would improve his position to be able to store or otherwise keep his commodity until demand rises, and have some voice himself in marketing the commodity which he works to produce?

Mr. LAMBERT. It is a tremendously important problem. It involves not only research in storing and so on, but it really cuts across the whole problem of research. It is going to mean storing, which will require engineering, which will require a great many other things.

Mr. PACE. Isn't that very largely tied up also in quick freezing and dehydration?

Mr. LAMBERT. Yes, I would say they are going to play an increasingly important part in the problem.

Mr. PACE. And is it contemplated under the bill that intensive research would be carried on in developing the advantages, the possibilities of quick freezing and dehydrating?

Mr. LAMBERT. Certainly that would be one of the problems that would be considered, one of the problems to be undertaken, of course, and worked out in part with the help of this advisory committee and by all of these folks that are going to be concerned. I would say that would be one of the problems that would receive major attention.

The CHAIRMAN. I would like to get this into the record here. Mr. Hope raised the question of placing a limitation upon the funds provided for in section 10 (a), while he stated that he felt the Department should have some latitude, and I agree with that, but I was wondering whether, if a limitation is written into the bill of, say, 40 or 50 percent, the limitation should contain language giving the Secretary the right to exceed that, in the event this committee appointed to advise with him thought it should be exceeded. That would take care of the situation, in my opinion. I just bring that up at this point for your consideration.

Mr. PACE. Doctor, let me give you an illustration, which I think is very clear-cut, on the importance of the Department advancing quick freezing. Take peaches, for example. I don't know whether you know it or not, but the peach grower makes his money about once every 5 or 10 years, and that is when he happens to have a short crop and a high price. Usually when he has a normal crop he loses money, because, as you know, the peach must be picked, must be handled just right and handled immediately, or it is gone. How fine it would be if it were possible to market the better peaches, we will say, and have quick-freezing facilities in every part of the Peach Belt, where the surplus peaches could be ground into pulp, quickly frozen and preserved for marketing throughout the year. Then the better peaches during the peach season would bring a fair price, and the surplus peaches throughout the year would bring a fair price.

Mr. LAMBERT. I think that is a very important problem for many of the fruits, and one that is going to receive increasingly more attention from research. It is going to take research on many angles. It is going to take research and engineering to find methods of storage. It is going to take research into the chemistry and the food value of those products. We have got to meet those problems.

Mr. PACE. Another point in this bill also is the value of promoting diversification of crops. I am impressed with the thought that, certainly in my section of the country, maybe throughout the country, there are great possibilities in the lowly sweetpotato, both as a food and as a feed. I have a farmer in my district, Mr. Chairman, who last year produced 547 bushels of sweetpotatoes on 1 acre of ground, and we know that, properly dehydrated, the sweetpotato is one of the finest animal feeds you can get. So it is important from the standpoint of diversification that we expand the process of dehydration in order that there may be some diversification away from cotton, away from other commodities, away from wheat, in order that these other crops may be made profitable and commercially attractive. Is that contemplated under the bill?

Mr. LAMBERT. Yes, that would certainly be one of the things to be done. There certainly would be great latitude to do that sort of work under this bill. You are probably familiar with the work that has been done at the southern regional laboratory on finding outlets for sweetpotatoes—that big plant recently developed in Florida, as you know.

Mr. PACE. Yes. I am also familiar with the activities of many private agencies, many railroad agricultural departments, and I am delighted that in this bill authority is granted to the Secretary of Agriculture to take advantage of private agencies that have a peculiar

set-up to carry on these experiments. I think that in the past there definitely has been a feeling of jealousy, or something akin to jealousy, between Government experiment efforts and private efforts, and the time has come when they should be brought together under one general program to advance the cause of agriculture. Do you agree with that?

Mr. LAMBERT. Yes; we have given that a great deal of consideration, and there are places where that would be tremendously helpful.

Mr. PACE. A great corporation has got a large group of men, and sometimes it gets the best men, and if they can do a job there should be no reason why they should not be employed to do it.

Mr. LAMBERT. It will be supplemental to the over-all activity.

The CHAIRMAN. Dr. Lambert, I would like for you to insert in the record at this point the amount expended by the Government and the State agencies in agricultural research work, and the amount expended by industry in similar work. I think it would be very enlightening to show that. We have practically not made a start in research with respect to agriculture, whereas industry is years ahead of us.

Mr. LAMBERT. May I ask for my own clarification: you are thinking of industry as it relates to agriculture?

The CHAIRMAN. Yes; not only as it relates to agriculture, but research that is being carried on by industry in other fields not with respect to agriculture. I just want to show that agriculture, practically speaking, has had no research work, while industry has for years been spending millions on research work. The result is that industry has been able to produce cheaper goods and with more efficiency and has found a lot of new uses for things.

(The following statements were submitted by the Department of Agriculture:)

DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 26, 1946.

HON. JOHN W. FLANNAGAN,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. FLANNAGAN: In accordance with your request at the hearings on H. R. 6548 on June 13, I am transmitting herewith a table showing estimated Federal expenditures for research in the fiscal year 1946 by the United States Department of Agriculture, including grants to the States and Territories; non-Federal funds available to State and Territorial experiment stations for the fiscal year 1945; and estimated expenditures in 1940 for research by industry, research institutes, and colleges and universities, exclusive of Federal grants for research by the agricultural experiment stations.

The estimates of research expenditures by the last-mentioned groups were obtained from the report by Dr. Vannevar Bush, entitled "Science, the Endless Frontier." These constitute, we believe, the most authoritative estimates for such expenditures.

No estimates are available for industry after 1940. Due to the tremendous expansion of war research, such expenditures by industry in 1944 probably were much greater than in 1940. Research expenditures by governmental agencies also were greatly increased during the war. In 1944 such agencies, according to Dr. Bush's report, expended \$719,813,000.

We also are enclosing a table taken from the 1947 hearings before the House subcommittee on the agricultural appropriation bill which shows expenditures for research by the various agencies of the Department of Agriculture since 1932; a tabulation showing non-Federal funds available to State and Terri-

torial agricultural experiment stations, fiscal years 1932-45, inclusive; and a copy of the table from which we obtained our figures for industrial research expenditures.

Sincerely yours,

N. E. Dobb, *Secretary.*

Estimated expenditures for research

Estimated obligations, fiscal year 1946, for research by the U. S. Department of Agriculture-----	\$24, 716, 000
Payments to States and Territories for research by State and Territorial experiment stations-----	7, 206, 000
Total estimated obligations from appropriation to the U. S. Department of Agriculture, fiscal year 1946-----	31, 922, 000
Non-Federal funds available to State and Territorial experiment stations, fiscal year 1945-----	21, 080, 978
Estimated expenditures for research in 1940 by the following: ¹	
Industry-----	234, 000, 000
Research institutes (industrial and endowed)-----	10, 659, 000
Colleges and universities (excluding Federal grants to agricultural experiment stations, \$6,849,000)-----	24, 601, 000
Total-----	269, 260, 000

¹ Figures from Science, the Endless Frontier, a report to the President by Vannevar Bush, Director, OSRD, p. 80.

Non-Federal funds available to the State and Territorial agricultural experiment stations, fiscal years 1932-1945

1932-----	\$12, 888, 163. 83	1939-----	14, 081, 508. 61
1933-----	11, 217, 632. 98	1940-----	14, 367, 998. 61
1934-----	9, 827, 455. 19	1941-----	15, 571, 050. 29
1935-----	10, 684, 261. 84	1942-----	15, 738, 633. 91
1936-----	11, 430, 489. 71	1943-----	17, 277, 666. 48
1937-----	12, 074, 252. 72	1944-----	19, 941, 454. 96
1938-----	13, 615, 568. 43	1945-----	21, 080, 978. 67

TABLE 11.—Estimated obligations for research, regular funds, fiscal years 1932-46, and Budget estimates for 1947¹

[In thousands of dollars]

Bureau or activity	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943 ²	1944 ²	1945 ²	1946 (preliminary) ²	Budget estimates, 1947
Agricultural Research Administration:																
Office of Administrator ³	60	51	41	46	123	124	122	134	134	135	163	246	250	272	320	460
Special research fund (Bankhead-Jones Act of June 29, 1935)					377	779	1,140	1,366	1,375	1,359	1,133	1,020	1,028	1,074	1,190	1,193
Office of Experiment Stations (exclusive of payments to States, shown below)																
Bureau of Animal Industry	349	207	155	201	211	218	217	216	233	233	236	242	245	244	279	343
Bureau of Dairy Industry	1,234	1,098	1,022	1,055	1,121	1,263	1,210	1,321	1,375	1,409	1,471	1,401	1,455	1,519	1,727	1,920
Bureau of Plant Industry, Soils, and Agricultural Engineering	726	586	535	566	607	639	665	675	682	639	694	674	698	720	828	1,011
Bureau of Entomology and Plant Quarantine	5,910	4,885	4,265	4,557	5,313	5,398	5,795	5,658	5,713	5,650	5,595	5,056	4,742	4,904	5,729	7,048
Bureau of Agricultural and Industrial Chemistry:	2,570	2,140	1,792	1,752	2,021	2,037	2,180	2,250	2,190	2,157	2,172	2,014	1,909	1,994	2,343	2,579
Regional research laboratories:																
All other	579	496	445	479	571	612	634	3,955	3,098	2,848	3,392	3,402	3,403	3,585	4,434	4,450
Bureau of Human Nutrition and Home Economics	271	217	199	216	220	246	273	332	352	351	378	380	442	571	911	917
Emergency dehydration investigations											114					
Bureau of Agricultural Economics	1,083	863	820	795	860	825	1,101	1,990	1,419	1,425	1,296	1,066	1,080	1,082	1,224	1,240
Forest Service	2,372	1,749	1,183	1,085	1,664	1,860	2,104	2,125	2,197	2,154	2,303	2,251	1,808	1,998	3,055	4,163
Soil Conservation Service ⁴	358	336	258	276	614	1,621	1,690	1,653	1,711	1,580	1,535	1,338	1,137	1,121	1,272	1,278
Marketing services		394	342	364	411	438	553	525	491	425	454	404	361	372	438	677
Farm Credit Administration	500				242	316	314	417	459	488	416	378	331	328	437	477
Total, exclusive of payments for State and Territorial experiment stations	16,006	13,016	11,087	11,392	14,355	16,376	18,010	23,303	22,105	21,392	21,958	20,365	19,279	20,166	24,716	28,472

¹ Amounts adjusted annually for changes in organization structures, necessitating rough approximations in making certain past year adjustments for comparability.

² For comparability with 1947 estimates, amounts in these columns exclude estimated obligations for overtime pay, amounting in total (thousands of dollars) to \$1,409 in 1943; \$2,686 in 1944; \$2,685 in 1945; and \$393 in 1946. Figures in 1946 column (and in the Budget estimates column) include estimated requirements for additional costs due to the Federal Employees Pay Act of 1946.

³ Amounts prior to 1942 relate solely to the Plant Industry Experiment Farm and the Beltsville Research Center; prior to 1936, to the Plant Industry Experiment Farm only.

⁴ Amounts prior to 1935 were appropriated to the Bureau of Agricultural Engineering, the Bureau of Chemistry and Soils, and the Forest Service.

TABLE 11.—*Estimated obligations for research, regular funds, fiscal years 1932-46, and Budget estimates for 1947—Continued*

[In thousands of dollars]																
Bureau or activity	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944 ²	1945	1946 (preliminary)	Budget estimates, 1947
Payments to States and Territories for experiment station research under Hatch, Adams, Purnell, and Bankhead- Jones Acts-----	4,357	4,374	4,381	4,388	4,995	5,620	6,233	6,541	6,849	6,863	6,926	6,926	7,001	7,001	7,206	7,553
Grand total-----	20363	17,390	15,468	15,780	19,350	21,996	24,243	29,844	28,954	28,255	28,884	27,291	26,280	27,167	31,922	36,025

Prepared by Office of Budget and Finance, Division of Estimates and Allotments, Estimates Section, Jan. 4, 1946.

U. S. Department of Agriculture, Agricultural Research Administration, projects under the Bankhead-Jones special research fund concerned with research on storage, processing, and preservation of quality of agricultural products

	Allotments, fiscal year—		
	1945	1946	1947
Investigations of farm storage of corn.....	\$7, 522	\$7, 370	\$7, 300
Investigations of storage of grain sorghum on the farm.....	4, 189	4, 200	4, 100
Research into the flue-curing of tobacco (processing).....	9, 557	9, 510	7, 000
Investigations on storage of soybeans on the farm.....	11, 690	11, 550	11, 400
The extraction of foreign material from cotton lint at gins.....	28, 960	35, 249	35, 600
Chemistry of enzymes: Conserving of agricultural products by the control of enzyme action.....	32, 100	31, 534	-----
Total.....	94, 018	99, 413	65, 400

In addition to the above the Federal Government is now spending under authority of the Agricultural Adjustment Act of 1938 \$4,000,000 for research in its four regional laboratories located at Philadelphia, Peoria, New Orleans, and Auburn.

INDUSTRY

While we are unable to obtain any exact figures, it is well known that industry spends annually millions of dollars on research.

Mr. PACE. Doctor, reference has been made here to the commodities on which research should be carried on. It is my understanding that this is a general research bill, that it applies to every agricultural commodity and every agricultural problem Nation-wide, and that there is no disposition on the part of the author, the chairman of this committee, the Secretary of Agriculture, in recommending the bill to pick out any commodity for preferential treatment, but that they will be taken up in the order of their magnitude and importance; is that right?

Mr. LAMBERT. Yes; and on the best advice we can get.

Mr. PACE. Let me say here, Mr. Chairman, everybody knows my interest in cotton. There is no desire on my part that any major part of this fund be devoted to cotton, and I am not going to object to any reasonable limitation within the judgment of this committee, but I am sure you agree with me that cotton does today pose the most serious agricultural problem in the country.

Mr. LAMBERT. I think it is probably the No. 1 problem.

Mr. PACE. And there are more people dependent upon that commodity, producing it, warehousing it, handling it, textile workers and all through the industry, than any other commodity produced in the United States.

Mr. LAMBERT. I don't have the exact figures on that, but I expect that is probably correct.

Mr. PACE. I have the figures, and I confirm that statement.

The CHAIRMAN. What was your statement, Mr. Pace?

Mr. PACE. That there are more people in the United States dependent upon cotton for a livelihood than on any other commodity produced in the United States, taking into account the man on the farm, the millions of people on the farm, the thousands and thousands who operate the gins, who operate the warehouses, who transport it on the railroads, transport it on the ships, process it in the textile mills, who work in the brokers offices that sell it, and the merchandiser who

handles it. More people are dependent on cotton than any other commodity. I think the facts will bear that out.

In the same connection, Mr. Chairman, I would like to put into the record at this point that so far as cotton is concerned for research which we need so badly, if we could just get the \$150,000,000 which the Commodity Credit Corporation has made off of the cotton of the farmers in the last 2 years we would be satisfied. The Commodity Credit Corporation has practically sold out the cotton in that program, taking the farmer's cotton on which the farmer had a loan, the loan was foreclosed and the Government took over the cotton and has now sold it and the Government is reaping a profit of approximately \$150,000,000. If we could just get out of this bill \$150,000,000, which in some respects really belongs to the cotton farmers of this Nation, we would be perfectly satisfied for research for the next 10 or 15 years. At the same time, let me repeat that so far as I am concerned I am going to be fair to everybody as long as I know how, because I learned long ago that you can't get anywhere being unfair to anybody, so any sound and sensible limitation on the fund will be agreeable to me.

Another commodity in which I am interested is peanuts. We have also a great problem in peanuts where research needs to be done. The National Peanut Council in an effort to protect and promote the peanut industry is raising a fund of a million dollars to carry on research in the problems of peanuts. That work is badly needed, and I just want to repeat to you again, Doctor, that I don't know of anything in the whole agricultural field that appeals to me any more than this bill of the chairman's to promote research, because I think the future of agriculture is wrapped up in the research laboratory.

Mr. HILL. I would like to turn to page 5, section 9, and get a little clarification of a few words there. Line 9, page 5:

The moneys appropriated in pursuance of this title shall also be available for the purchase and rental of land and the construction of buildings necessary for conducting research provided for in this title.

Now here is my question. If I get the import of this set-up, the land-grant colleges or agricultural colleges and the universities where they conduct agricultural work will do this. If you spend a lot of money on the campus of these colleges to construct buildings for research, and so forth, then you make up your mind that you are through with the research and you wish to move out, I think we ought to have a little protection in there for the colleges, because I have seen this happen: these buildings, the equipment and everything concerned, will probably put on there at a sacrifice to the college for room and other work that they would be doing. Now, why shouldn't we protect the colleges and say that this project shall become a part of the campus or the college or the university where you are working? You are not entitled to go in and tear it down and move it off and just carry it away whatever you please. Why shouldn't they be protected somehow?

Mr. LAMBERT. I believe this section refers to grants to the States, and those buildings, as I understand it, would be theirs.

The CHAIRMAN. Would become a part of the plant, the college plant?

Mr. LAMBERT. That is right.

Mr. HILL. Let us say they do. You think they should certainly have the buildings and the equipment that you put on the campus?

Mr. LAMBERT. I don't think there is any question about that.

The CHAIRMAN. We will make that clear.

Mr. POAGE. Mr. Chairman, I don't want to be misunderstood, and I want to repeat that I agree that the whole program of agriculture is tied up with research and experimentation, but I do want to know a little more about the features of this bill. I think we should know more about it because now is the time to know about it, not after we pass it, and I would like to know just how you envision the operation of this bill. You have told us that you were going to do certain things and were going to cooperate with the State experiment stations and agricultural colleges, but I have observed that in the Department of Agriculture there is at the present time I think a tremendous amount of confusion and tremendous lack of coordination as to who carries on the experimentation. If I may digress, I would call your attention to an illustration of exactly what I have in mind, and I think this bill certainly ought to prevent that sort of thing happening again.

We carried out a great program during the war, started a great program for the development of the natural rubber industry. I know the members smile about it but I am very much convinced that it is one of the extremely important things that we undertook. We started it. We had absolutely no coordination between the various agencies in the Department of Agriculture. Some of them wanted to go ahead. Some of them would do absolutely nothing about it. It happened that that program was turned over to the Forestry Department, and I will say for the record that the Forestry Department was not interested in natural rubber, is not interested in it now, and has not tried to make a success of the program, and there is still great need for a great deal more experimental work. Under this legislation will your agency have the right to carry on experimental work under the program for natural rubber, or will it be dealt with by some agency like forestry, that hasn't any interest in the world in it?

Mr. LAMBERT. I would expect, Mr. Poage, that if they decide that that is an important problem that needs study, what would happen is that it would be divided into segments, and this agency would take the segments that it is best qualified to study, and another agency would take this segment, and another agency might take another segment. It might even be done by the States.

Mr. POAGE. Just what would your agency do there?

Mr. LAMBERT. If you are referring to the emergency rubber program—

Mr. POAGE (interposing). No, I am referring to the experimental program.

Mr. LAMBERT. Our Bureau of Agricultural and Industrial Chemistry might come in and participate in the working out of ways and means of better processing of guayule so as to get the highest possible yield from the plant, that is, the highest yield of rubber from the harvested plant. We might come into the problem of breeding improved varieties of guayule. We would certainly come into the problems of disease control of guayule and the problems of insect control. We would come in in a great many ways in the problems of the management of the soil.

Mr. POAGE. I don't mean to confine it to guayule, although that happens to be an operation with which I am familiar, and I will say that I think your agency and the Bureau of Plant Industry did do very good work, experimental work on that, but I repeat that in my opinion the Forestry Bureau did not care to carry on the work and deliberately let the thing die without making any effort to carry on the work, and what I want to know is who is going to originate these programs of research and experimentation? Are you going to originate the program? I am not talking simply about guayule. I am talking about anything that may be done under the bill. Are you going to decide that you are going to do some work on certain things, carry on experiments, or are you just going in where some Bureau of the Government says they would like to have you come in?

Mr. LAMBERT. Under the Agricultural Research Administration, as you may know, we have a number of bureaus consolidated, and the Research Administrator in a problem like that would call in—for instance, if the problem involved production, breeding of plants, he would call in the Chief of the Bureau of Plant Industry. If it involved insect control, he would call in the Chief of the Bureau of Entomology and Plant Quarantine.

Mr. POAGE. But who originates the problems?

The CHAIRMAN. The problems originate, Mr. Poage, under section 9 of the bill. The experiment station in Texas would engage in such research work, or it would engage in such work in cooperation with California and other States that grow guayule, for instance.

Mr. LAMBERT. That is right, and in cooperation with the Department. And those problems, Mr. Poage, would come up by recommendation from the experiment stations themselves, and they would be gone into and considered and developed. There would probably be a great deal of attention given to the development of the problem and the program, how it would be attacked most effectively to avoid overlapping of effort. That is the basis upon which that would be done.

Mr. POAGE. In other words, your agency is merely a clearinghouse?

Mr. LAMBERT. The coordinating agency; yes.

Mr. POAGE. That is what I am trying to get here. That is to say, your agency does not act to produce research work?

Mr. LAMBERT. No; but we do try to see that they get together on problems where one bureau can cooperate with the other.

Mr. POAGE. I think there is merit in that, because some such coordination I think is most desperately needed, but I am frank to say I want to get this clear in my mind because I don't know too much about it. Your agency does not carry on any experimental work?

Mr. LAMBERT. No, sir.

Mr. POAGE. Your agency is not an operating agency?

Mr. LAMBERT. No; we are a coordinating agency.

Mr. POAGE. Operation will then be done through the State experiment stations, land-grant colleges, and such agencies as the Bureau of Entomology and Plant Quarantine?

Mr. LAMBERT. Yes. And these bureaus, of course, are under the direction of the Research Administration. I want to make that clear, because that is the picture. That is about our function, a coordinating function, and we would see that these bureaus bring their efforts to-

gether, pool their efforts to get the problems working together with the States. And of course, the Office of Experiment Stations is one of the units of the ARA.

Mr. POAGE. Would you say that under the terms of this bill you would have the opportunity to cooperate with other than State-supported educational agencies? For instance, in my town there is a denominational school. Under this bill would you cooperate with them?

Mr. LAMBERT. I think that if that institution were able to make a real contribution to the problem, in developing that problem and planning it and coordinating, we certainly would be in a position to do so.

The CHAIRMAN. There is no question in the world that under section 10 (a) the Secretary would have the right to do that.

Mr. LAMBERT. That is right.

Mr. POAGE. I think that is very good. I just wanted to know about it. Now, there is a matter that has come to my mind in reading this thing. I don't see that there is any emphasis placed on it. Maybe I have overlooked something, or maybe it is not there. You may not think it so important, but in my section of the country, in the Southwest, I believe we have been greatly benefited from agricultural research introducing new jobs in the Southwest. In some sections they are raising a great many oranges through the Southwest. It is felt that those new crops that have been brought in, have been developed, have meant a great deal to us. I don't see any special emphasis here given to developing new crops.

Mr. LAMBERT. No; there is no special emphasis on it. It was not overlooked. It simply means that in section 1 we could not enumerate all of the possibilities, so we put in some broad general sections, so we could study problems in their broadest relations to agriculture.

Mr. POAGE. In my opinion one of the essential answers to the cotton program at least, and the same thing is true in other rather similar areas—one of the necessary answers to the cotton problem is the development of other crops that will thrive on that type of soil and in that climate. The Department of Agriculture has done practically nothing up to the present time, in spite of the fact that they have developed soybeans that will grow in Texas, where you get three or four rows as long as from here to the end of that table, but they have done practically nothing toward the development of any new crops that will grow on black land. They have done a lot in west Texas. They have been helpful in the development of some helpful crops out there, but they have done practically nothing for the black land. There are many problems that they must consider, and that is what I want now to get some assurance on.

Mr. LAMBERT. I think this bill would certainly be a stimulant to doing the various things you are talking about.

Mr. POAGE. As I said before, I am trying to get people interested before you pass legislation, not after, and I want here and now to see if you folks can realize that you haven't done anything for that black land. Do you realize that, Doctor, that you have not produced any crop that will grow on the black land of Texas?

Mr. LAMBERT. Personally I have not had any experience down there, but I am sure the people in our Bureau of Plant Industry are very well aware of it.

Mr. POAGE. No; they are not aware of it, because most of them tell me they will develop soybeans for us.

The CHAIRMAN. Let us get the record straight. Under section 9 (a) the experiment station in Texas would have the right to go into that problem to do research work, or it could go in with Alabama and other States into a cooperative effort to solve the problem.

Mr. LAMBERT. That is right.

Mr. POAGE. That is what we want to be sure of.

The CHAIRMAN. There is no question about that.

Mr. POAGE. That is what I want to get, Mr. Chairman, because I don't want these people to forget those things 3 or 4 years from now.

Mr. HILL. You are not afraid that Texas will not be up there to get her share of any work that is done on this; are you? [Laughter.]

Mr. POAGE. Mr. Hill, there hasn't been any work done on that. I want to know now that there is going to be an effort made, because that is a vitally important section of the country. At one time not so many years ago that black land was producing probably one-sixth of the cotton in the United States. Today the production has dropped to half that amount.

Mr. LAMBERT. Mr. Poage, Dr. Winters just advises me that in this contemporary study that he has made of the problems of southern agriculture in connection with Mr. Pace's subcommittee, that was one of the specific problems that was mentioned.

Mr. POAGE. What was one of the specific problems?

Mr. LAMBERT. This black-land problem you speak of.

Mr. POAGE. And there is still no answer for it.

Mr. LAMBERT. No. It was one of the problems vitally needing solution.

Mr. POAGE. I think we are getting at what I want to do, Mr. Chairman. I think you are answering just what I want. I just want to be sure that you folks recognize the importance of giving us new crops in areas where we are short on cash crops. And it is not confined to the black land of Texas, but I speak about that because that is my home and I know the problem. I think you will find a great many areas in the country where they need additional cash crops from which the farmer can make a living. All the talk in the world about the crops on some other land won't help a man who lives on a particular type of land. You tell us to grow peanuts, to grow sweetpotatoes. That's fine, if you have got the right kind of land, but those things simply don't grow on some types of soil. That is what I am trying to say, that the Department of Agriculture must recognize that the mere solution of the problems of one section of a belt will not help another section. The cotton problem is not the same in Georgia as it is in Texas.

Mr. LAMBERT. I appreciate that.

Mr. POAGE. And I am sure the dairy problem is not the same in Wisconsin that it is in Georgia. That is what I want to get clear.

Now there is one more point I would like to speak about. I notice in most of these cases there are three different steps of authorization for the appropriation of money, and if I understand it, they all go back

to section 1 and simply set up different methods whereby you can use different amounts of money for different purposes, but each and every one of them increase the appropriation of money up to 1951 to such an extent that by 1952, as I see it, there is no limit whatsoever on the authorization under any of those. Isn't that right?

Mr. LAMBERT. I believe that is true as to all but one. I think in the utilization referred to there is no open end clause. No; I am wrong about that.

Mr. POAGE. In addition to the foregoing, such additional funds, beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

I am not really afraid you will spend too much money on research, but I wonder, Mr. Chairman, if we are not turning funds over to the Department to use as they choose, and losing control of research.

The CHAIRMAN. The research field is such a large one that if we attempted to put a limitation on it, we would probably be ashamed of our judgment 5 or 6 years from now. I mean the thing should be allowed to develop. If there is anything like a comparable development in agricultural research to industrial research, it is going to run into large figures. The agencies, of course, would have to go to the Appropriations Committee yearly and justify the sum asked.

Mr. POAGE. I am not at all afraid that they are going to get too much.

The CHAIRMAN. I am afraid they are not going to get enough.

Mr. POAGE. But I have observed that agencies that in the past have asked for things, today we don't hear any more about it.

The CHAIRMAN. Well, we will look into that angle.

Mr. JOHNSON. Mr. Lambert, I am very happy to see this research legislation coming on. I know it is valuable, and we are going to need it far more in the immediate future.

I was quite impressed with my good friend Mr. Pace—I am sorry he is not in the room now—when he was so modest. He didn't want any one crop particularly in the South to get special attention. I do believe that cotton needs special attention. I like to go down South, but when I go through the cotton country I go with a heavy heart. Conditions are very bad. We get along somehow or other, although I have seen some pretty bad conditions too up in the North, but it is a terrible situation down there in the cotton country. There is no question about that, and I am glad some improvement is coming along.

I was quite impressed with what my colleague from Texas, Mr. Poage, brought to your attention, and I was glad to have the assurance that you will carry on the synthetic rubber study. I think that is far more important than many of us realize. I have a lot of faith in our synthetic rubber. We have done a marvelous job on butylene and butadiene rubber, and there is much more to be done. Because of lack of finances and lack of proper cooperation the work was not carried along and developed far enough on butylene glycol. There is no question but what our petroleum resources for raw material, for butadiene, for making synthetic rubber are fast being depleted. There is no question that the supply is getting less. We have fewer structures now to explore for future oil wells. I think we are all agreed on that. We were fortunate out through my area of the country, in the Corn Belt, that we had thousands and thousands of acres

of corn as a potential supply of rubber, and over 200,000 tons of rubber were made per year, synthetic rubber of fine quality. We may again run into a world situation where we will need our own supply of rubber. We don't know what may happen.

We have no assurance that we are going to get a supply of rubber from the Far East, and I honestly believe that we can, with our scientific research, continue our natural rubber production in the country through the development of cryptostegia and comparable plants. Also, I would not say that cryptostegia is entirely hopeless. It looks that way now, but we should continue the research. There hasn't been much done with that. But, particularly with guayule, I have great faith in that with proper research carried on, which has not been done in the past with the full cooperation that we should have had. I have been out there with Mr. Poage and saw what they had done, and with a few years' study and further research I think we will be able to compete with the world in natural rubber, but so far there has not been a proper sympathetic effort behind it, for certain reasons which I will not name, but I hope the Department of Agriculture, when we pass this bill, will also make that one of the essential things. I know there is a crop for the Southwest, all through the Southwest where they can grow it. I am not talking about it from the standpoint of my own part of the country, because we can't grow it up there, but this is a national problem, our future supply of rubber, and I hope we will carry on more research on that and also on glycol, where Dr. Stark, of Seagrams, and our own Department laboratory at Peoria have done a marvelous job. I was talking to Dr. Stark recently and the figures that were given out from the Peoria laboratory—I had the privilege of sitting in there a couple of years ago at the time of the adoption of the butylene-glycol project, and the results have surpassed their expectations of the ultimate yield of butadiene and butylene-glycol products, and I would like to see this bill coordinate with industry and the bigger plants. Seagrams has done a marvelous job on the development of butylene-glycol, and I would like to see cooperation and full coordination of our efforts.

Mr. LAMBERT. I think the Department is sympathetic, and the Office of Experiment Stations is certainly going to give consideration to all important problems. I cannot answer as to just what will be considered the most important problems, but we do have this mechanism of this big advisory committee to help us in deciding those, and with the help and the suggestions we get from the experiment stations and the Department we certainly ought to have a well-rounded program with a broad picture of the important problems of agriculture.

The CHAIRMAN. Now, Dr. Lambert, the time approaches when we will have to adjourn. As I understand it, you think the report of the Department will reach us not later than tomorrow?

Mr. LAMBERT. Yes; I think so.

The CHAIRMAN. I am going to ask permission of the committee to insert that report immediately following Secretary Anderson's testimony, so it will appear in the record at that point.

Now, I understand we have some witnesses here who will have to leave. I want to find out if that is correct. Mr. Hassil E. Schenck, of Indiana, representing the grain and livestock industry. Is he present.?

Mr. SCHENCK. Yes, Mr. Chairman.

The CHAIRMAN. Can you be here in the morning?

Mr. SCHENCK. No; I am leaving for Atlantic City this afternoon.

The CHAIRMAN. When will you be back?

Mr. SCHENCK. I will not be back soon. I have to be back in Indianapolis Sunday. The best I can do would be to come in next week some time. We have a meeting starting Monday that will last till Saturday evening. I have a prepared statement that I can leave here with you, Congressman, which will cover what I have to say.

The CHAIRMAN. Suppose you leave it to be inserted in the record at this point, and if we desire a further statement we will notify you.

Mr. SCHENCK. I will be very glad to do that.

(The statement referred to follows:)

STATEMENT OF HASSIL E. SCHENCK, OF INDIANA, BEFORE HOUSE COMMITTEE OF AGRICULTURE, CONCERNING AGRICULTURAL RESEARCH

I come from the great grain and livestock area. I operate a family-sized farm in central Indiana. I produce and market hogs, cattle, sheep, and dairy and poultry products. All feeds produced on my farm are marketed through these livestock channels. That is quite generally true of most farmers in that area, with about 85 percent of all corn fed on the farms where produced.

Indiana is a State of small farms, the average being slightly over 100 acres. Farms of over 500 acres constitute eight-tenths of 1 percent of our total. I make these statements to indicate the impracticability, if not the impossibility, of anything like a constructive research program promoted by the farmers themselves. Farm wealth in our area is almost wholly decentralized, made up of hundreds of thousands of small units. This is in great contrast with industry, where oftentimes hundreds of thousands become investors in stock in industry with greatly concentrated wealth. This makes possible the carrying on of constructive and high-cost research in the fields of most industry because of this concentration of wealth.

I wish to outline briefly some of the possibilities that lie ahead of us in the fields of soils and soil practices; tillage machinery; production; harvesting machinery, new processes in not only harvesting but in curing, storing, and processing; improved feeding practices; development in livestock varieties and types; new crops; new uses of existing crops, etc—all of which will have a direct bearing on successful grain and livestock farming, food production; improved diet, with a consequent better health condition among our populace, and an enhancement of the wealth of our Nation.

In recent years research in certain crops has been carried to the point of revealing the almost unlimited possibilities that lie ahead. A decade and a half ago, hybrid seed corn was practically unheard of. Today it is almost universally used, with each succeeding year finding greater and greater progress in this development. But little has been done in other grains. Some improvement in recent years has been revealed in oats and wheat, with more attention being given to the production of greater yields with great resistance to insects and disease, but with too little attention having been given to the ultimate use to which the commodity is to be put.

Corn production yields have been greatly enhanced through the use of hybrid seed, but not only is the opportunity for much further study along this line, but the field of development which is sadly lacking is that of producing the kind of corn for the specific purpose for which it is to be used. While the greater portion of our corn goes for livestock feeding, there is a percentage used for human food with great possibilities in the future in the field of chemurgy, which I will touch upon later.

The constructive use of commercial fertilizer is still in its infancy. Research along this line is sadly needed. No essential element can be found in any food or feed crop which does not first exist in the soil.

We have witnessed the development of the wooden moldboard plow. I can recall the older people talking of the poisonous effect that the steel moldboard would have on the soil. Today the steel moldboard is universally used, but there are possibilities that the next decade will reveal farm equipment and farm tillage practices that go far beyond the dreams of any of us today. This requires

research which the individual farmer cannot promote. Present methods of harvesting are not only extremely expensive, but much of the feed value and vitamin content is lost. The field of research into this type of endeavor will produce remarkable results.

Only a little while ago alfalfa was regarded as a crop acclimated to a semi-arid area. Today it is grown on practically every farm in my section of the State. Soybeans were little more than heard of two decades ago. Today it is a basic crop.

Research will not only greatly improve crops prevalent on our farms now, but will bring many new crops which will enhance the economic position of our farm people and the general wealth production of our country.

We are just now beginning to hear of hybrid developments in the field of livestock. The only previous development has been the Missouri mule. In my opinion, research in the field of livestock will show the development of crosses and recrosses which will develop types of livestock which will produce more pounds of food, higher quality food, with less feed. Animals will be produced with greater disease resistance.

Much research needs to be done in the broad field of marketing of agricultural products. One of our greatest break-downs in times past has been a faulty distribution system. In the early thirties we saw greater supplies of food than in any previous time in our history; yet at the same time we saw unprecedented numbers of hungry people. Most of the hunger of the world today is due not to a lack of food, but to an unwise marketing and distribution system. Proper research should, in the course of time, be able to develop ways and means of correcting this evil.

Nylon production is the result of 8 years of expensive research by a billionaire industry, costing over \$10,000,000, which has gone a long way toward removing an outlet for one of America's basic farm products—cotton. If something is not done in the field of agriculture to match what is being done in the field of industry today along lines of research, then part of America's greatest sources of wealth will depreciate.

We have seen in the past and will see again great surpluses of grain crops. The emergencies contingent with the war revealed the possibilities of the diversion of those surpluses into synthetic rubber, motor fuels, etc.

The bill under discussion will provide the means through agricultural experiment stations, through cooperation with the proper industries, and through the United States Department of Agriculture, of effecting proper developments along these lines.

American transportation is pretty much geared to rubber. We need never be caught again with the source of supply 10,000 miles away.

I sincerely urge that members of this committee give careful study and favorable consideration to the proposals set forth in this bill to the end that farmers' problems as we look into the future will be most constructively met, that the human diet will be greatly improved, that the farms of our country will become sources of supply for many of the products for which we have looked elsewhere in the world, and that our national prosperity will be assured.

The CHAIRMAN. Now, Mr. George Wilson, of California, representing the fruits, vegetables, and sugar beets. Is Mr. Wilson present?

Mr. WILSON. Yes, sir.

The CHAIRMAN. Mr. Wilson, can you be here tomorrow?

Mr. WILSON. No; I have to attend the same meeting in Atlantic City, returning home from there.

The CHAIRMAN. Could you file a statement, with the understanding that if we desire to have your personal appearance you will come back?

Mr. WILSON. Certainly.

(Mr. Wilson's statement follows:)

STATEMENT OF GEORGE H. WILSON, OF CALIFORNIA, BEFORE HOUSE COMMITTEE ON AGRICULTURE, CONCERNING AGRICULTURAL RESEARCH

As a farmer, owning, operating, and living on my own farm in California, a member of the board of directors of the American Farm Bureau Federation, and a member of its national fruit and vegetable committee, I would like to stress the need for additional research to assist the producers of fruits and vegetables, and sugar beets.

In the West the great extremes of rainfall, or drought, elevations above and below sea level, extreme heat and cold, and long and short growing seasons have forced us to place great reliance on research work to get our crops to produce satisfactorily. Then add a tremendous amount of work done to develop new varieties of fruits and vegetables, and methods of grading and packaging so that they will still be attractive to buyers 2 or 3 miles distant.

The United States Department of Agriculture and experiment stations have helped with many of our crops. I think of the plant breeding and other research in sugar which have been so helpful.

We want to go ahead to a program of full production of farm products for the use of mankind and at prices to consumers that they can pay. We in California believe we can make considerable progress along this line through research. Our State legislature, which has always been generous for farm research, granted us an extra two million dollars for the year, with the implication that larger annual appropriations would follow. Grower and industry groups are assessing themselves, adding materially to these funds for research. We will continue to help ourselves, but that is not enough.

Probably the simplest and oldest irritation on the farm is weeds. The new developments of electronics, biologics, chemistry, and mechanical treatment open the possibility of weed control, which will pass on to the consumers a food saving far in excess of any subsidy or relief this Nation can long offer.

Roughly, one-third of the consumer's fruit-and-vegetable dollar goes to the farmer for his costs and living. We need research to cut further those costs, the savings to be divided between the grower and consumer. The bulk of the consumer dollar, however, goes for packaging, transportation, and distribution; and in this field a large amount of research is essential to solve this intricate problem in such a way as to cut spoilage to the vanishing point—moving our product quickly, efficiently, and cheaply to the consumer's table. The application of refrigeration throughout the channels of distribution has great possibilities, but requires much research.

We must learn to use the fruit and vegetable byproducts just as efficiently as the big packers uses "all but the squeal."

Research men now tell us that the lowly asparagus butt, which for many years added only odor to the countryside, is now being used to produce a medicine—just as effective in its field as is penicillin in its field. Many vegetable and fruit byproducts add vitamins to livestock feeds.

Our farmers in the West, and I believe all over the Nation, want us to work for a positive program which will encourage full production of all our farm products, priced so that the producer and the consumer are benefited by the production. We believe that the gains made through production, distribution, and use research are gains for every citizen, and gains which cannot be readily removed.

We believe that solving the farm production and distribution problems through restricted production, subsidies, and a multitude of other ways is more expensive and its effects are cumulatively bad, if long continued. We believe the gains from research are cumulative of good for all.

In this rapidly changing world, with the many new problems facing farmers and new demands placed on them, we must maintain a good research program. We must, however, step out anew into leadership, meeting the more complex problem of true soil conservation and treatment to the end that it will produce not only abundantly, but produce foods and fibers of high nutritive or utility value. It is especially important in the case of fruits and vegetables that we learn how to produce in them a uniform, high, and usable vitamin content. We must learn better to grade, process, prepare, package, transport, and distribute our essential products to the consumer.

To do these things and more, and maintain harmony, freedom, and independence for producer and consumer will require an enlarged, aggressive, and coordinated research program.

We believe this bill will be a great help, and we will strongly support you in its passage and believe the great mass of our citizens will do likewise.

The CHAIRMAN. Tomorrow we will continue hearings on this bill. I would like to finish up with the Department of Agriculture before hearing other witnesses. Does the Department have any further witnesses, Dr. Lambert?

Mr. LAMBERT. Not unless you wish, Mr. Chairman.

The CHAIRMAN. Suppose we then proceed tomorrow to hear the representatives of the experiment stations. Let their testimony follow that of the Department. Is that satisfactory? I will ask then that the representatives of the experiment stations appear tomorrow. Then I would like to follow their testimony with the testimony of the representatives of the farm organizations, then follow with the testimony of those representing special agricultural products, such as wool, tobacco, sugar beets and so forth. If that is agreeable to the committee we will proceed in that way. I think we will get the record in much better shape if we first hear the Department, then the experiment stations, then the farm organizations, then the representatives of special agricultural products.

The meeting is now adjourned.

(Whereupon, at 12 noon, the committee adjourned until 10 a. m., Friday, June 14, 1946.)

AGRICULTURE RESEARCH

FRIDAY, JUNE 14, 1946

HOUSE OF REPRESENTATIVES, COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. John W. Flannagan (chairman) presiding.

The CHAIRMAN. The committee will come to order.

We have as our first witness this morning Dr. L. D. Baver, director of the North Carolina Agricultural Experiment Station and the chairman of the directors of the experiment stations. Dr. Baver, we will be glad to hear you now.

STATEMENT OF L. D. BAVER, DIRECTOR, NORTH CAROLINA AGRICULTURAL EXPERIMENT STATION

Dr. BAVER. Mr. Chairman, and gentlemen of the committee, the land-grant college interest in House bill 6548 stems directly from the requests from farmers and others interested in agriculture, both individually and through their organizations, for a much greater research program. Every experiment-station director in the Nation is continually besieged to find the answers to problems that are meaning the difference between success and failure to the farmers.

Specifically, the present bill had its origin in the fall of 1944. We in the cotton South have been facing an acute situation for a number of years. It became obvious that we just did not have adequate research funds to tackle the problem in its entirety. As a direct result of the requests from farmers and their organizations, a meeting of the technical research men in the field of cotton and related enterprises was held in Dallas, Tex., in November 1944. A group of committees was set up, consisting of experiment-station research workers to analyze what we knew about cotton and what new research was needed. At about the same time, Congressman Pace, of Georgia, called a group of people together in Washington to discuss and lay plans for the solution of the cotton problem. The experiment-station directors of the cotton-producing States then set up a committee to formulate the required research program for the Southern States. To this end, we prepared a report on the research in progress and the additional needs to give a balanced program of research for a profitable agricultural economy in the South. Our report along with a similar analysis by the United States Department of Agriculture was used as a basis for the development of the initial stages of the present bill.

The requests for additional research funds in other regions and for other commodities made it rather obvious that the feasible approach was to draw up an over-all research bill which would help supply an-

swers to the pressing agricultural problems of the entire Nation. The bill which was drawn up with many helpful suggestions from the Members of Congress and farm organizations was discussed by the experiment-station directors and officials of the Department of Agriculture and approved by the executive committee and officers of the Land-Grant College Association.

We have representatives from three of the four land-grant-college regions to give to you a picture of the needs for research in their particular areas. After their testimony, I will make a statement in behalf of the fourth region.

First, Dr. Noble Clark, director of the Wisconsin station, will present the research problems of the North Central region, generally known as the Corn Belt.

Second, Dr. Clarence Dorman, director of the Mississippi station, will present the research problems of the southern region.

Third, Dr. W. B. Kemp, director of the Maryland station, will present the research problems of the northeastern region.

Mr. Chairman, that concludes my introductory statement. At the conclusion of the statements of these other gentlemen, with your permission, I will make a further statement.

The CHAIRMAN. Do you have any further testimony now?

Dr. BAVER. I will have some further testimony after Dr. Kemp, with regard to the western region.

The CHAIRMAN. I understand that Dr. Kemp represents the northeastern region.

Dr. BAVER. Yes, Mr. Chairman, and after he has concluded I would like to have the floor again.

Our next witness is Dr. Clark.

The CHAIRMAN. Dr. Clark, will you come around and state for the record your full name and the position you occupy.

STATEMENT OF NOBLE CLARK, ASSOCIATE DIRECTOR, WISCONSIN AGRICULTURAL EXPERIMENT STATION

Dr. CLARK. Mr. Chairman, my name is Noble Clark. I am associate director of the Wisconsin Agricultural Experiment Station and a member of the committee on experiment station organization and policy, Association of Land-Grant Colleges and Universities.

Mr. PACE. May I say, Mr. Chairman, that I think the committee is very fortunate indeed to have Dr. Clark here. I found when we were in Wisconsin that he is spoken of very highly in the work he performs there.

Dr. CLARK. That is very kind of you.

The CHAIRMAN. You may proceed, Dr. Clark.

Dr. CLARK. It has been suggested that I tell your committee something about the way the State agricultural experiment stations in the north central region are working together to increase their efficiency in research on projects that deal with problems which are bigger than a single State, and involve an area or the entire region.

Our cooperative program has been under way for many years, and is constantly growing in scope and in content. The limiting factor is largely the lack of funds with which to finance the joint programs that cut across State boundaries.

I have with me a file of six publications, issued in the past 3 or 4 years by our north central stations, that summarize findings made in some of our cooperative projects. You will note that they are printed by the individual stations, but each publication applies to the region, and is also sponsored by the other stations in the region. Each station purchases a supply of the regional bulletins or circulars for distribution in their own State, and hence there is no duplication of effort, and the cost of printing is reduced because we can print in large editions. Equally important, this procedure provides a mechanism whereby the technical people in the experiment stations can benefit by joint counsel and effort, and the farmers in each State have the benefit of the research done in all the other States.

Bulletin 365 of the South Dakota station has the title "Marketing Livestock in the Corn Belt Region." It is a very comprehensive summary of the livestock marketing procedures in the several markets serving the Midwest, and is widely recognized as an authoritative and accurate source of information about this highly complicated and controversial topic.

Bulletin 479 of the Missouri station has the title "Trucking Livestock in the Corn Belt." It not only describes the way in which trucks have become a major factor in the transporting of livestock to market, but it also measures the efficiency of trucks in this service, and lists recommendations for improving trucking efficiency.

Bulletin 502 of the Illinois station is entitled "Improving Farm Tenure in the Midwest." In it are summarized the judgment of the technical workers throughout the region on such matters as the steps to farm ownership, inflation of land prices, farm-mortgage terms, landlord-tenant relations, soil conservation, rents and wages, inadequate farms, rural-urban communities, and back-to-the-land movements.

Bulletin P-72 of the Iowa station carries the title "Preventing Farm Land Price Inflation in the Midwest." As you might expect, the text emphasizes some of the things individuals and Government can do to discourage runaway inflation in land prices, and thus prevent the recurrence of the disastrous land boom of a generation ago which resulted in so many farm families being foreclosed and losing all their savings.

Bulletin 389 was issued by the Minnesota station in January this year and is entitled "Capital Needed to Farm in the Midwest." It tells in detail the investment in land, buildings, livestock, machinery, working capital, and so forth, that the experience of successful farmers has indicated desirable. Detailed figures are given for modest farms in the cut-over areas of the Lake States, for dairy farms in several different States, for large cash grain farms in Illinois, Iowa, and Nebraska, wheat farms in the Great Plains area, tobacco farms in Kentucky, hog farms and various other types of farms in the Midwest. You can recognize how useful this information is to the man who is considering entering the farm business, particularly servicemen.

This last little leaflet, Extension Bulletin 325, issued by Purdue University, Indiana, carries the title "Farming Opportunities in the Midwest." This gives guides to the prospective land purchaser as to what to look for, and what to look out for, when selecting a farm. Copies of this leaflet can be found in every county agent's office in the

North Central region, and are also available in the offices of the county advisory committees set up to help veterans in the selection of farms.

Other regional publications are now in process of printing, while still more are in the drafting stage, and being reviewed and revised by the technical workers in all the stations in the region. Some deal with the design and specifications for farm buildings. In all of these cooperative ventures, the United States Department of Agriculture is a participating partner.

A recent undertaking has been the launching of interregional cooperation between the North Central stations and the Northeastern stations, 25 States in all, on the economic problems of dairying, particularly the matter of finding future outlets for the 20 percent of our dairy production now being exported for relief purposes and to the armed services.

There is urgent need for the inauguration of many more research projects on a regional basis, both in the Midwest, and throughout the Nation. These larger investigations are usually expensive, for they require the participation of many persons. They would have been undertaken years ago if adequate funds had been available. The passage of H. R. 6548 would enormously stimulate and facilitate interstate cooperation on research of a regional and national character. The record shows the States will work together in the interest of agriculture and in the service of the public welfare. They have done this with the very modest Federal funds put at their disposal. They can and will do very much more in a cooperative and coordinated manner if the Congress will give them the necessary support.

Among the regional projects that the States are eager to establish, and that await the provision of the funds to defray the costs involved, are the following:

1. Regional program for research on hard red winter wheat. This project has been prepared by a committee representing all of the experiment stations in the Great Plains region where hard red winter wheat is grown.

2. Regional program for range and pasture research in the short-grass area of the central Great Plains.

3. Developing inbred strains of poultry and testing the resulting hybrids to determine their suitability and efficiency under the climatic and feed conditions in different parts of the United States. There is reason to believe that hybrid poultry can be developed that are as much superior to the best present-day strains as hybrid corn is better than old-fashioned open-pollinated corn.

4. The dairy industry is far and away the largest single agricultural enterprise in the United States. Well over one-fifth of all farm income comes from dairying. I do not need to tell you how important milk and dairy products are in the nutrition of our people, and of the need to step up efficiency of dairy production so as to have dairy products widely available to our citizens at prices they can afford to pay. One of the most urgent needs in this connection is the improvement in the producing ability of dairy cows. Even though we breed our cows to the best bulls that are available, they do not by any means have uniformly productive offspring.

There is great need for intensive dairy cattle breeding programs which will intensify the desirable germ plasm, and remove the un-

desirable inheritance characters. Only in this way can we have more certainty that the offspring of our dairy cattle will have more uniformly high productive capacity.

A dairy cattle breeding project of this kind will require many animals, years of time, and much more money than individual breeders, or even a single State agricultural experiment station, can afford. It is a program that would be especially well suited for cooperative regional or national research under the terms of the proposed bill. I know of few ways in which public money will be so likely to return dividends many times over the amount invested. Not only will farmers benefit by reducing the expense now caused by raising heifers that later prove to be unproductive; but the consuming public will eventually be the largest gainer.

I want to emphasize that agricultural research is in the interest of the consuming public. American citizens today have better food, and more of it, than the people of any other nation.

The great rank and file of our people have better food than even the very rich could afford a half century ago. This food is available to them in great variety and of a higher quality than was dreamed possible by our grandparents. Best of all, the cost of this good food, even at present prices, represents a smaller proportion of the average consumer's income than food did in the income of previous generations. Agricultural research and technology in industry made possible this remarkable advance in the quality, quantity, and economy of food. It is true that those farmers who adopt the improved varieties or new practices secure an advantage from the results of agricultural research, but by far the larger benefits are passed on to all of our citizen consumers.

Passage of H. R. 6548 will provide an enormous stimulus to agricultural research throughout the Nation, particularly in those States which have limited financial resources with which to support the more difficult research projects. This bill insures that the research is initiated out in the States where the crops and livestock are grown and where the farm problems have to be met if agriculture is to be strong and healthy. It provides for cooperation and coordination between the States on a regional basis and with the United States Department of Agriculture on a national basis.

Research is not a panacea or quick cure for all of agriculture's ills, but it has given farmers most of the control they have so far won over their difficulties with insects, with diseases of plants and animals, with unfavorable climatic conditions, and with all the rest of the obstacles that beset the production of crops and livestock. Research in agriculture can do even more to help farmers in the years ahead. Farmers need the help of an expanded research program. They are asking their State agricultural experiment stations to give them this service of research. We, who are administrators of these stations, are prepared to accept responsibility for the same constructive use of Federal money for an expanded program of agricultural research as we have for the limited funds now at our disposal. It is for you, who are Members of Congress, to decide whether farmers will receive this help for which they are asking.

That concludes my personal testimony. I have a statement that I would like to file for the record.

The CHAIRMAN. Without objection, it may be made a part of the record.

I think your presentation of the subject matter giving the objects and purposes of this legislation has been very excellent.

Dr. CLARK. Thank you, Mr. Chairman.

In connection with the needs for research, I believe the committee will be interested in the views of the Producers' Council, the national organization of manufacturers of building materials and equipment. Mr. James W. Follon, the council's manager-director, has given me the following statement, which I will not take the time of the committee to read, although it is very brief, but I would like to leave it with you. This organization is made up of manufacturers of building materials, emphasizes the desirability of research to find the best uses on the farm for the different types of building materials, and they want the judgment of an unbiased public agency like the State agricultural experiment stations to evaluate buildings so that farmers in making their investment, as they are going to make very rapidly in the years immediately ahead, can do so intelligently and wisely, and they want us to do the research rather than have it done by themselves.

The CHAIRMAN. The statement may be made a part of the record.
(The statement referred to follows:)

A STATEMENT BY THE PRODUCERS' COUNCIL, INC., ON THE NEED FOR FARM BUILDINGS
RESEARCH, JUNE 13, 1946

The Producers' Council and its member companies and associations formally recognized the urgent need for extensive research in this field by appointing a standing farm buildings committee 2 years ago. The chairman of the committee is Chris L. Christensen, former dean of the college of agriculture and director of the agricultural experiment station at the University of Wisconsin.

This action was taken in view of the fact that the Nation's farmers are expected to spend more than \$5,000,000,000 on farm construction, including repair and maintenance, in the next 5 or 6 years and because we realized that there has been far too little research in this important field in the past.

We know that the physical plan of a very great percentage of the Nation's farms is in bad condition, as a result of more than a decade of depression and wartime restrictions. We recognize also that farmers must invest wisely when they spend money for new buildings and facilities and must keep annual operating expense to a minimum.

There is a vast need for research in developing the fundamental functional requirements of farm buildings and in developing materials for specialized farm needs. While this research should be localized to meet varying climatic and soil conditions, there also must be provision for coordinating the research between the States and various sections of the country in order to avoid duplication and for prompt dissemination of the research results.

Unfortunately, research relating to the design, development, and the more efficient and satisfactory use of farm buildings and farm homes has not been accorded attention commensurate with its importance to increased productivity and to improve rural home life. The Nation's farmers are sure to benefit greatly from the wise and coordinated study of farm-building requirements.

The CHAIRMAN. Dr. Clark, speaking broadly, the main objective of this bill is to set up, and in the right way, a national agricultural research program and to bring about the proper coordination of that program.

Dr. CLARK. Yes, Mr. Chairman.

The CHAIRMAN. And in order to do that it takes money.

Dr. CLARK. Yes.

The CHAIRMAN. And the only thing this bill undertakes to do is to set up such a program and to authorize the money with which to pay for it.

Dr. CLARK. Yes.

The CHAIRMAN. Are there any questions?

Mr. ANDRESEN. I notice, Dr. Clark, your comment with reference to the dairy situation in the United States, and I heard you mention in your statement that when this demand for relief and Army purposes for dairy products was over that we would have to find outlets for that apparent surplus, if there is any at the time. Have you given consideration to the question of the millions of pounds of vegetable oils that are coming into this country within the next 2 or 3 years, and its effect on the dairy industry, in your program of research?

Dr. CLARK. Yes. Using as an illustration what is needed for interstate operation in research into this problem of trying to find ways of trying to help the dairy industry in your State, in my State, and in the other States, to act intelligently in the face of these economic problems that are sure to be had at some time in the months and years immediately ahead, I do not think that Minnesota, or Wisconsin, or Maine, can answer the question that you have asked, independently of the rest of the States. It is a question that calls for a cooperative and coordinated approach; and when we have come here we have taken into account the needs and the problems and the opportunities of the dairy industry of the Nation and of agriculture as a whole.

I do not think we want to leave out of consideration imports or exports, or whether this milk ought to go into fluid form and be drunk as fluid milk, or whether it should be made into cheese, which is an important product of my State, or whether it should find an outlet in dry skim milk, which is one of the newer products. All of those approaches complicate the situation, and I am pleading for the passage of this bill we are considering today so that the problem, which is one of the biggest problems that faces the dairy industry today, can be studied in a cooperative, coordinated, and effective manner.

Mr. ANDRESEN. You recognize, of course, that the country is passing into a sort of free-trade era, on account of the demands of the world; and of course I am sure you recognize such an economy is bound to have repercussions on the dairy industry of this country.

Dr. CLARK. Yes.

Mr. ANDRESEN. Now you say you are going to seek to find new outlets for the amounts of dairy products that are being shipped out of the country. I am sure you will also recognize that this new type of free-trade economy is going to invite competitive imports of dairy products into the United States, and they will have their effect on our dairy industry.

At the present time oleomargarine is made out of domestically produced vegetable oils, but some of these foreign vegetable oils which will be shipped in at a figure in competition with cottonseed oil and soybean oil will supplant the domestically produced oils in the manufacture of oleomargarine, and I am sure you recognize that oleomargarine, during normal times, has some effect on the dairy industry. Now, what is your idea of the over-all prospect of this new economy that confronts the dairy industry and, to some extent, the rest of agriculture?

Dr. CLARK. Mr. Andresen, I cannot give you a conclusive answer at all to the question you have asked me. I can say this—that it is a question so tangled up with a great many other factors that what I am pleading for is that we do not undertake to settle the problems, or determine what we will do with dry skim milk, or evaporated milk, or cheese, or fluid milk and the other varied forms in which dairy products find their outlet separate from the others. It is just as important to the farmer selling milk in the city of Boston—what is decided about oleomargarine is just as important—as it is to the butter producer in Minnesota. Unfortunately, the people living, farmers living, next to the big municipal markets, who sell fluid milk, do not always realize that fact.

So I am pleading with this committee for the funds which will permit us to set up an organization in which the dairy industry of the United States, wherever it is located, can work together to evaluate and study these problems with which we are faced, of which you have given one example and could give many others; and that we may be able to work out a united, coordinated, accurate analysis as to what constitutes the welfare of the dairy industry, in the face of these problems, and the welfare of the Nation as well.

Mr. ANDRESEN. Of course, at the present time we are dealing with other obstacles working to the disadvantage of the dairy industry, as you well know; but I assume that your remarks are directed to the time when we are back to the period when we will be free from Government controls, when the Government does not in a large measure control every individual and business.

Dr. CLARK. Yes. And I am taking the position, Mr. Andresen, that the farmers of your State and of mine, and the other dairy farmers, and the farmers producing other commodities as well, are entitled to the benefits of research, the best possible research we know how to conduct, and research that is not limited only to assisting them and helping them to analyze the problems with which they are faced but so that we may work out the best solution that can be found to these problems; and that we will do the research work before the program is adopted, or before we form our opinions.

Mr. ANDRESEN. I agree with you on the question of research and the need for it; but we are dealing with realities when we come to discussing this period of new-free-trade economy. Do you think the dairy farmer can survive that type of economy, even if we do have this research?

Dr. CLARK. I do not think I am competent to answer that question.

Mr. ANDRESEN. Well, as an economist, would you say that the economy that we are going into—

Dr. CLARK. In the first place, I do not have a very high professional standing as an economist; I am in research administration; and my opinion as an economist would not be worth any more than that of anyone else in this room.

Mr. VOORHIS. What kind of economy are we going into, if I may be permitted to ask?

Mr. ANDRESEN. We are entering these economic trade conferences, with a lot of free-trade proposals.

Mr. VOORHIS. You were speaking of getting rid of Government controls.

Mr. ANDRESEN. What I was really getting down to was the consideration of this economy as it is related to the solution of the problem sought to be had in the chairman's bill.

The CHAIRMAN. Mr. Andresen, is this not true, that whether we change our economy or not this bill is necessary.

Mr. ANDRESEN. That may be.

The CHAIRMAN. And the question of whether the dairy farmer can operate in a free economy or in a changed economy does change the need for this legislation.

Dr. CLARK. That is exactly my position; that research should go ahead. And there again it is our job as public agents to work for the solution in the interest of the public, and for the welfare of the public in analyzing the problems and to publish the facts citing the things which we think can be constructively worked out, not only as they affect the dairying business, the wheat grower, but other producers, and work which we have not been able to do, but which can be done if such legislation is enacted.

Mr. ANDRESEN. I am glad the chairman came to your assistance in answering the question—

The CHAIRMAN. Mr. Andresen, I do not think Dr. Clark needed any assistance.

Mr. ANDRESEN. No, I do not think so. But do you not think we ought to act before we take some move in the other direction.

Dr. CLARK. I am a research administrator, Mr. Andresen, and in my judgment you must have research before you are going to be able to assist the country.

I am only asking today that you give us the funds so that we may be able to give you the facts which will be helpful to the country, and when you come here you can properly legislate on all of these major problems which face you, and as they affect basic agriculture and the welfare of the public. That is my program.

Mr. ANDRESEN. Then I say to you, that when these realities that I mentioned take place, there will have to be more research, if we are going to find markets for the products that we will have in hand.

Dr. CLARK. If you can stop progress you may be able to stop the necessity for research; but we are going to have progress and we must have research.

Mr. ANDRESEN. Thank you very much, Doctor.

The CHAIRMAN. Mr. Pace.

Mr. PACE. Dr. Clark, as I stated yesterday, I think the future of agriculture is wrapped up in research. And I would like to get into this record a comment from you as to the dollar return on the money that would be spent under this program.

Just by way of illustration, Congress has through the years carried on an enormous river-development program in this country, and I understand that the Army engineers first find that there is a return, dollar for dollar; that is to say, if we are to spend \$100,000,000 on the development of a river for navigation purposes over a long period of years, it will save the people, over that period of years, \$100,000,000, and that is the justification for the project, and Congress appropriates the funds for the development of the river.

With that idea in mind, what would be your estimate of the return in dollars, on a similar basis of comparison, from a research program,

or the probable dollar benefit, not only to the producers but to the consumers of the Nation?

Dr. CLARK. Well, you men have heard the figure as to what the development of hybrid corn meant to the United States in helping provide food for the world.

Mr. PACE. Would you just comment on that benefit for the record?

Dr. CLARK. That has run in the neighborhood of a half billion dollars a year.

I think I might take another illustration in my own State of Wisconsin, and we are not one of the big States that has as much good soil as some of the other States of the Union; but about 5 or 6 years ago, from our own agricultural experiment station, was released a new variety of oats, which again, from the national standpoint, is not as large or as important as some other crops, and is not as important in our State as it is in some of the other States, but that variety of oats, taking one year with another, from a single acre of land, will produce 25 to 40 percent more oats than any other variety of oats that was previously available.

In the year 1944, in the midst of the war, they increased the production of oats from this newly developed variety, which took no more land and no more labor except in harvest, and it meant at least \$15,000,000 to the farmers of the State of Wisconsin; it meant some \$15,000,000 last year, 1945; and it is going to mean at least \$15,000,000 in 1946.

The CHAIRMAN. Where was that variety developed? Who participated in the development of the variety?

Dr. CLARK. That variety was developed at the University of Wisconsin agricultural experiment station, and the United States Department of Agriculture participated in it. I want to say that we now have under way in our station a breeding program, very modest one, connected with oats, and already in only 5 years since we released those oats we have a new variety called Forvic which we have developed. This is an improved variety which will develop between 5 and 10 percent more than the Vicland variety. We have made preliminary releases of this variety this year, and next year it will be available.

Mr. JOHNSON. I would like to ask a question, Mr. Chairman.

The CHAIRMAN. Mr. Johnson.

Mr. JOHNSON. On this point, I am quite surprised. I wonder if I understood you correctly, when you speak of this Vicland oats that they meant such a great increase on the same number of acres, without any increase in the fertilizer; do I understand you correctly?

Dr. CLARK. That is correct, you do.

Mr. JOHNSON. When you have to replace those nutrients, you undoubtedly have to do that, do you not?

Dr. CLARK. Yes; sir. I simply cite that as something that was done. I do not mean that you can keep that up indefinitely. I am saying we did get that increase in production of grain by using that particular strain.

Mr. JOHNSON. This immediately brings up another problem that we must consider, and consider most seriously, that is, the matter of soil conservation, because we know that whatever you take out of the land

you have to put back by way of fertilizer. If you grow these larger crops on the land, surely, we have to put back these nutrients.

Dr. CLARK. That is quite true. You cannot draw more checks against your soil bank than you make deposits in the way of plant food. It is necessary to have that balance established and maintained at all times.

Mr. PACE. Doctor, in one of the comparisons of your illustration, you compared your research work in other fields, that is, a comparison of your work and the work in other research fields.

Dr. CLARK. That is correct.

Mr. PACE. Dr. Clark, would you care for the sake of the record and for the information of Congress and the general public to attempt to make a general estimate of your idea of the possibilities of return that the Nation will benefit from this comprehensive research program? In other words, would you say there is a possibility of a 100 to 1 or a 1,000 to 1 return on these dollars that are invested?

Dr. CLARK. Anything I might say is purely an opinion, and purely guesswork, but I am prepared to defend—and to supply supporting data that I have, too—that over the years in the past public moneys expended in agricultural research have been returned in money payable to the farmer and to the public itself at least 20 to 1 or 25 to 1, and perhaps more.

Mr. PACE. That is all I have, Mr. Chairman.

The CHAIRMAN. Mr. Voorhis.

Mr. VOORHIS. I would like to start out by saying before this committee what I have said at other places, and that is, I feel that the testimony you gave our subcommittee out in Chicago a little over a year ago is probably as good a statement of the progress of American agriculture and their hope of solution as I have ever had the privilege of listening to.

Mr. HOPE. Will the gentleman from California yield?

Mr. VOORHIS. I will.

Mr. HOPE. I would just like to concur in what the gentleman has said. I want to concur in that statement.

The CHAIRMAN. I am glad to hear you say that.

Mr. VOORHIS. Thank you, Mr. Hope. Dr. Clark, I would like, if it has not already been answered before, and it may have been before I came in, to ask you to compare the situation as to what it will be after this bill is passed with what it is now.

Dr. CLARK. At the present time the Federal Government is making grants to State agricultural experiment stations of roughly \$7,000,000 annually. If this bill is passed and put into effect, and the increments over the years are granted and the appropriations made, the States will be receiving from Federal sources \$20,000,000 annually, or approximately three times what they are now receiving. Now you gentlemen appreciate that the State agricultural experiment stations are also supported by the State, and that in many States the State contribution is several times over what the Federal contribution is. In my own State it is six or seven times as much. In other States the percentage is even more; on the other hand, in some cases it is less. The national figure is something like 2.7.

Mr. VOORHIS. Mr. Pace mentioned, Dr. Clark, certain other types of expenditures. I want to point out that the \$20,000,000 figure is less

than the cost of one dam that they propose to build in my district that my people do not want them to build. [Laughter and applause.]

Dr. CLARK. I think that is about right in many cases; it is a very modest figure, I mean.

Mr. VOORHIS. That is all I have now.

The CHAIRMAN. Mr. Hill, do you have any questions?

Mr. HILL. Yes, Mr. Chairman. I wonder if you have discussed the matter of wheat? You mentioned oats. I am not very much interested in oats, except as a part of the over-all picture, but I wish you would discuss the matter as to what might be done with wheat. That is a subject in which we are all interested, and I think we will all continue to be interested in the near future at least. I know you have done some work in some of the States, and I know you know something about wheat. Will you tell us something about it?

Dr. CLARK. Yes, indeed. As a boy I was brought up in the State of Minnesota, where wheat is a pretty important product. We have seen one disease after another in rapid procession attack the spring-wheat program in that State, and it has brought the production of wheat down to the point, down and down and down to the point where wheat ceased to be profitable as a crop and the farmers went out of it. We were then presented with a very serious situation. Then I saw research made at the University of Minnesota and other centers which developed disease-resistant strains which enabled wheat to grow in the presence of these diseases and produce a good crop and produce a better quality of wheat than we had been able to before; and it produced a better quality of flour than our previous wheat had produced. It was even better quality of flour than the wheat we had before, before it was attacked by this wheat disease. However, one should not be deceived by the progress which has been made so far.

These diseases have not stopped. There are new diseases constantly coming over the horizon. There is no such thing as the status quo or standing still in agriculture. If we stop we go back because these new pests and new problems are constantly coming on, and run as fast as we can progress is slow because these new obstacles are coming up. In the case of wheat America cannot continue to hold its place in the agricultural picture unless we have continuous progress because the farmers have to have a much higher income and they must have a large wheat program or they will lose out. I want to warn you again that this is not something for today or tomorrow, or that you can close up 10 years hence unless you want to slip back. The price of progress is continuous research.

The CHAIRMAN. Mr. Hoeven, do you have any questions?

Mr. HOEVEN. Dr. Clark, what do you contemplate in the matter of research into the byproducts of corn?

Dr. CLARK. There is a very excellent piece of work being done in the Peoria Regional Laboratory which is financed with Federal funds, and which has a very broad coverage. This is something with which I, as one of the directors, and all of the other State directors share in in the way of development and coordination, and we do work with them very closely. They are doing a marvelous piece of work there, and they are to be highly commended for it.

Mr. HOEVEN. You know of the work done at the Iowa State College?

Dr. CLARK. I do. I might say that the man at the head of the Iowa State College, and a man who is doing a very fine job there is a man that I am very closely familiar with, and I might say with a due amount of modesty I hope that while the work is being done at Iowa State, he is a Minnesota man.

Mr. HOEVEN. What do you say as to research in hybrid corn? How are we getting any advances as to that? Is any improvement being shown?

Dr. CLARK. Yes. We still have problems in corn production in connection with the greater adaptability of corn to specific areas and specific soils and types of climatic conditions. Hybrid corn is so much better than open pollinated corn, and almost in any way better than what we had before. But now we are finding that we have got to cut down and do our job on corn in a more specific manner so that we can meet the requirements which are demanded by various conditions which are met in certain localities and under certain conditions. For instance, we are recognizing differences in the requirements that must be met in localities which are contiguous to another, and we find that we have to have varieties of corn that will grow on one person's farm in a particular type of soil, or on a particular type of slope, and will do better in production on that particular farm than the type of corn that will be suitable for some farm closely adjacent thereto.

Mr. HOEVEN. Will we get to the point where we can take this hybrid corn seed and say that the farmer can grow it by simply replanting it from his own corn each year, from year to year?

Dr. CLARK. I do not think there is a chance in the world of doing that. Personally, I do not care if it never does come about. The cost of seed corn per acre of land is microscopic compared to the cost of producing the corn crop on that acre of land, particularly when you figure the investment. The price for purchasing a good hybrid corn seed is only a very, very small fraction, and it is the biggest and best investment the farmer can make in getting that seed over the purchase of a poor type of seed which would produce a poor crop of corn. I think it is most important.

Mr. HOEVEN. I agree with you on that.

Dr. CLARK. The very nature of hybrid corn is such that we have to come back and get these inbreds every year. There is no way that you can go along with the same corn from year to year. I doubt if there ever will be.

Mr. HOEVEN. I was interested whether in the possible future there might be future development that would make it unnecessary.

Dr. CLARK. I do not think that is feasible; I doubt very much if it is advisable, because by continuing this method we are going to increase every year the quality of the corn that we will produce. If we utilized the same corn every year, even assuming that it was as good as it was that year, you would stop right there.

The CHAIRMAN. Doctor, we want to thank you for your very fine presentation.

STATEMENT OF DR. CLARENCE DORMAN, DIRECTOR, EXPERIMENT STATION, MISSISSIPPI STATE COLLEGE, COLLEGE STATION, MISS.

The CHAIRMAN. We are very glad to welcome as our next witness Dr. Clarence Dorman, of the Mississippi State College Experiment Station. I understand, Doctor, you are speaking for the directors of the Southern Agricultural Experimental Stations; is that correct?

Dr. DORMAN. That is correct.

The CHAIRMAN. You have authority to speak for the other southern directors?

Dr. DORMAN. That is correct.

The CHAIRMAN. You may proceed.

Dr. DORMAN. As stated by Dr. Bayer, the agricultural experiment stations in the South have been working with and at the request of farm organizations, agricultural commodity organizations and others since 1944 in making a detailed study of our present research program and the need for additional research. The additional research needed at this time, which will be presented here, has been developed with a thorough appraisal of our present program. It is made up of the request for additional research by individual farmers, farm and other organizations, and by suggestions of trained stations committees.

It has been developed by the participation of all the Southern States in a joint and well-coordinated effort.

The suggested research program for the South is built primarily on cotton research and alternate and supplementary enterprises for cotton. The two segments together comprise the presently suggested new and expanded research program for southern agriculture and southern problems within the scope of the agricultural experiment stations.

Cotton has a difficult position as a raw fiber. Increased production efficiency will, without doubt, aid in the future. Frankly, I do not see how the South can possibly hope to enjoy a standard of living comparable to that of other agricultural regions in this country until such time as the total agricultural production per person and per acre is materially increased. It is hoped that alternate and supplementary enterprises to cotton may be developed.

Cotton is one of the most important crops in American agriculture. Historically, the world need for comfortable and durable clothing was supplied only after the cotton industry of the South had developed, and the settlement of this large segment of the United States was based on supplying the world need for cotton. A large percentage of the present population in the United States is dependent on cotton for a significant portion of its income. A great industry has been built around cotton, its production, the tools and supplies entering into its production, its processing, manufacturing, transportation, handling, and financing. For many years American cotton has been one of the most important items in international trade, and receipts from the sale of American cotton to foreign countries constituted the bulk of the favorable balance which was so helpful in developing this entire Nation. In fact, world-wide experience seems proof that cotton has been the greatest agricultural crop in the world—cotton is produced

in every section of every country in the world having conditions suitable to its growth.

Nevertheless, a prospective cotton situation for the future holds the promise of new and perplexing problems that will further complicate the old ones.

Since the earliest days of this country cotton has been so prominently intermingled with the warp and woof of national economy that any serious and permanent dislocation of cotton would be a serious dislocation of the national economy in its entirety.

I am indebted to Cotton Statistics and Related Data, published by the National Cotton Council of America, for impressive figures on the importance of cotton not only in the South but in the Nation as a whole. There is engaged in the production of cotton approximately 9,000,000 persons. Adding those working in gins, oil mills, warehouses, compresses, and the buyers, and merchants, with their dependents, the total number of persons mainly dependent on cotton approaches 10,000,000. Those engaged in the processing and manufacturing of cotton, with their dependents, are more than 3,000,000; and thus the total number of persons mainly dependent on cotton as their source of livelihood is about 12,000,000. That is nearly one-tenth the population of the United States. In addition, millions of others derive a part of their income from transportation, wholesale and retail trade, and other services pertaining to cotton, so that the total number of persons dependent in whole or in part on cotton for a livelihood has been estimated to be more than 21,000,000. That is nearly one-sixth of the entire population of the United States.

Anything which interferes seriously with the source of livelihood of a tenth of the people of any nation, is a serious menace to the well-being of the entire nation. The problem of cotton is therefore not a problem of the South alone, it is a problem of the Nation.

Within the Cotton Belt the importance of cotton is even more striking. Here live the 9,000,000 cotton producers and other millions who secure all or a portion of their livelihood from the manufacture, processing, marketing, and transportation of cotton. The southern pattern of farming and the economic structure of the South are built around cotton. The size of the farms, the farm buildings, farm machinery, as well as the number of farmers and the number of cultivated acres, all have been determined by the requirements of cotton. Credit facilities, transportation, as well as industries, such as gins, warehouses, compresses, spinning, and clothing manufacturing plants, and the thousands of large and small business concerns that serve farmers, have been built by and depend upon cotton.

I want to speak on the subject of suggested additional research on cotton and related problems. Research that has been suggested to serve cotton production and marketing has emphasized the need for more efficient production and marketing, reducing the cost of production, and the importance of improving the quality. All of these objectives are considered important to the improvement in the competitive position of cotton as a raw fiber and the standard of living of the cotton farmers.

Fields of research work proposed under this program are designed to develop systems of soil and farm management, production, and

marketing for the purpose of lowering cost of production, marketing, and the conservation of soil and human resources.

The following fields of research work have been suggested specific to cotton and related problems:

Economic adjustments in cotton farming; to estimate the relative advantages of cotton production in a stable system of farming on farms of each producing area; to evaluate the possible alternatives to cotton in terms of income to farms and maintenance and improvement of soil resources; to find the desirable adjustments in the farming system in each producing area from the standpoint of income and conservation of soil resources; to ascertain farmer experience with enterprises other than cotton; farm management in adjustments on cotton farms, and the feasibility of growing cotton with alternate enterprises. Studies on specific farms for combining in a practical way cotton and supplementary enterprises.

Additional work on harvesting and ginning: These studies would include defoliation, picking, stripping and wrapping, drying, pre-cleaning, ginning and cleaning, lint cleaning, and the influence of mechanization on quality.

Cotton quality: Methods of determining quality, fundamental studies of fiber quality, the influence of climate, plant nutrition, and other factors on quality.

Cotton improvement: Breeding cotton for specific manufacturing purposes; disease-resistant varieties for mechanical harvesting, breeding for specific local conditions, fundamental genetic studies, and the role of hormones in cotton production.

Cotton soils: Additional research is needed to study the influence of alternate crops on Texas root rot, fertilizer placement, the effect of fertilizers on the quality of fiber and oil, and soil adaptability for cotton production.

Cultural practices, mechanized production, the adaptability of machinery for different size and types of farm topography, and soil types, development of improved machinery.

Cotton diseases: Soil sanitation practices for the control of nematodes and diseases, see treatments. Fundamental studies on disease organisms especially boll rot, verticillium with angular leaf spot, and so forth.

Cotton insects: Approached from a regional basis more research is needed on pink boll worm, boll weevil, and aphids including more fundamental studies on insect ecology.

Cotton marketing: Beginning with cleaning, packaging, grading sampling, transportation, merchandising, the field of cotton marketing should be improved wherever possible.

Now as to research on enterprises alternate and supplementary to cotton. Even if profitable outlets can be found for all of the cotton that could be produced by the southern Cotton Belt the matter of providing alternate and supplementary enterprises would still be a most urgent and pressing problem. Much of the land in the area is unsuited to cotton production. Alternate enterprises are needed to replace cotton on these lands. Major proportion of the income is now from about one-quarter of the land area—the other land should be made to contribute a larger portion. Supplementary enterprises are needed to conserve the soil, to help provide regular employment to

supply adequate diet and to supplement the farm income of the region. The following is a group of fields of research work now needed or greatly expanded to furnish information relative to the development of alternate and supplementary enterprises to cotton.

Turning now to research on alternate and supplementary enterprises for the South. Crop improvement other than cotton; additional research on genetics and crop breeding approached from a local and regional basis for crop improvement; disease resistance in forage and pasture crops, small grains, corn, and other supplementary crops; seed production.

Cultural practices, including mechanization and harvesting; special equipment for special crops, for example, peanuts, sweetpotatoes, sorghum, rice, forage crops, grass seed; drying and preservation of crops; improved harvesting equipment; improved land preparation, planting, cultivation; machines designed for small farms, on a local and regional basis.

Diseases of crops other than cotton: Corn diseases, peanut diseases, small grain diseases, fundamental studies on disease organisms responsible for diseases of southern crops, leaf spot and soil borne diseases approached from a local and regional basis.

Horticulture: Fruits—soil and plant nutrition as related to more efficient and higher-quality production, disease resistance and control, insect control, and the development of varieties and methods of producing for home use. Vegetables—improved varieties through breeding for adaptability, disease resistance, better quality, soil and plant nutrition for more efficient and higher quality production.

Forestry: Efficient production from farm woodlands offers the farmers of the Cotton Belt supplementary income, research on more efficient production and harvesting, management and stand establishment from the farm forestry standpoint is badly needed.

Market outlets and marketing facilities and methods for southern farm products other than cotton; work on four large groups has been suggested, livestock products; fruits and vegetables; dairy products; poultry and eggs; various so-called specialty crops.

Insects affecting enterprises alternate and supplementary to cotton—cereal forage and pasture crop insects; truck crop insects; storage insects and insect enemies of livestock and man.

Noxious weeds: Many farmers and farm organizations have requested information and a research program on noxious weed control and eradication.

Pasture and range: Pasture and forage crops are essential to provide necessary livestock feed and soil cover together with the green manure crops required to build up and maintain southern soils, plant varieties, plant combination, fertilization palatability, seasonal grazing and many other factors need intensive study.

Animal industry: The developments and testing of cattle for the South; utilization of pasture and forage crops; winter grazing; supplementary feeding; utilization of home-grown feed by beef cattle, swine, and poultry; control of insects, internal and external parasites and diseases need continuous study. These problems will become more intense as the livestock population increases.

Dairy industry: Feeding, grazing, disease control; nutrition; milk producing; value of adapted crops; economics of dairying, particu-

larly the cost of production under different farm-management practices.

Nutrition: Research into the problems of human nutrition and the nutritive value of agricultural commodities. The gains or losses in nutritive value that may take place in the production, distribution, processing, and preparation of food for use by the consumer.

Mr. Chairman, I have listed many of the problems that urgently need research at this time. No doubt many additional problems will arise from time to time. I do not wish to leave the impression that none of these problems is being worked on now, but those that are being attacked need a greatly intensified program.

This proposed legislation provides for work on the problems of agriculture on the local, regional, and national level; it provides for research to adopt the principles worked out on the regional level to local problems; it provides for a cooperative and coordinated research program within the States, within regions, and within the Nation.

The Southern States working with different organizations and the Department in the development of the program submitted, feel that it is of utmost importance to agriculture, and as representatives of the States we sincerely hope to see the proposed legislation, H. R. 6545, passed by Congress.

I wish to thank the committee for the opportunity of appearing here and presenting my views and the views of the other directors in this regard.

The CHAIRMAN. We thank you for your statement. Are there any questions? If not, we will proceed to the next witness. I should like to finish the testimony of the experimental stations today.

The next witness we have is Dr. W. B. Kemp, director of the experiment station at the station in Maryland. I understand he speaks for the directors of all the experimental stations in the northeast region.

STATEMENT OF DR. W. B. KEMP, MARYLAND AGRICULTURAL EXPERIMENT STATION, ON BEHALF OF THE DIRECTORS OF THE EXPERIMENT STATIONS IN THE NORTHEAST REGION

Dr. KEMP. The directors of the agricultural experiment stations in the 12 Northeastern States favor passage of bill H. R. 6548 as a means for more effectively meeting the demands for increased agricultural research.

There have been numerous demonstrations in recent years that research is capable of solving many of the problems of our farm people. Its results have been carried to the individual farms through resident teaching and the cooperative extension activities of land-grant colleges and the Federal Government. Many farm people, therefore, are aware of the importance of both scientific research and experimentation to agriculture. As a consequence, experiment stations are being called upon by a large number of individuals, by commodity groups and by other farmers organizations for research on problems that cannot now be attacked effectively because of inadequate personnel and facilities.

For instance, in the State of Pennsylvania within the past year at least three different commodity associations and the society of Farm Women of that State have sent to the agricultural experiment station formal resolutions urging either inauguration or expansion of specific

lines of research. These associations are the Potato Seed Improvement Committee of the Crop Improvement Association; a committee representing the State Association of Artificial Breeding Cooperatives; and the Montgomery County Beekeepers Association.

As an illustration of this demand in the State of New York, a mimeographed report of the Temporary Commission on Agriculture presents a list of 16 fields of work in which farmers make specific requests for research. This list begins with, "breeding to obtain varieties of crops that will yield well, are nutritious, resistant to disease and adapted to New York soil and climatic conditions," and it ends with, "labor simplification and efficiency."

Among the many requests within the year in my own State of Maryland at least six commodity groups have asked for new or expanded research. Among the most insistent have been the tobacco growers of southern Maryland and the vegetable growers of the southeastern Eastern Shore.

As a result of these urgent requests from the public in the various States, the directions in the northeastern region are able to classify various types of work in order of their apparent importance. First on the list is food composition, preservation, quick freezing and processing. As you all know, the Northeast has a heavy consumer population and one of the main objects of these lines of research is to gain the information that will permit the various food products to reach these consumers with appearance, palatability, and nutritional qualities relatively unimpaired. You all know how rapidly sweet corn deteriorates after it is pulled for market. Last year I tasted sweet corn 6 days after pulling that showed less deterioration in sweetness and flavor than usually occurs within 6 hours after pulling on a hot day. We are only beginning to learn how the high qualities of fresh vegetables can be retained from the farm field to the city table. All phases of marketing and distribution of agricultural commodities stand high on the list of needs in the northeastern region. However, the second class of problems on the list is housing; including the home and other farm buildings. Also demands for solution of the problems of both dairymen and poultrymen occupy an important position.

Many of these expressed needs for the country as a whole have been presented to you by Dr. Bayer. Therefore, it does not seem necessary to go into great detail for the one region except to present the reminder that its agriculture is highly diverse and, hence, presents many problems for solution all the way from those of seeding mixtures for hay and improved machinery and methods for its harvest and curing to those of mushrooms and orchids.

The problems on which information is asked are doubly complicated because of varying conditions even within a single State. In one as small as Maryland with less than 10,000 square miles of land area there are 4 different geological zones with more than 300 distinct soil types and classes named to date, with mean precipitation varying from 20 to 30 inches during the growing season and with the period between killing frost varying from 120 days in one section to 210 days in another. No one fertilizer practice; no one seeding mixture; no one set of variety recommendations can apply over such a range of conditions. At the old plant research farm on the campus barely regularly produced more digestible nutrients per acre for livestock

feed than wheat. At the new farm only 8 miles distant from the old one, what usually produces nearly twice as much digestible nutrients as barley.

In many cases the fundamental principles which underlie solution of any one problem may be determined at a central laboratory, but details of application still must be learned on the spot.

While some of the problems can be solved only within a restricted region of a single State, others can be solved only by effective cooperation between States. I present for the record a survey of cooperative research then in progress among the 12 States in the Northeast as summarized by Director F. F. Lininger, of the Pennsylvania station, in May 1945. It will be noted that all lines are presented under 37 different heads and that the number of States cooperating on any one line varies from 2 to 10. Also, I present for the record a list of 15 agricultural problems which the station directors in the Northeastern States have agreed should be studied on a regional basis. Various additional ones remain for consideration. As illustration of effective interstate cooperation reference is made to the coordinated fruit research program of the Cumberland-Shenandoah area which has operated for many years as a means of presenting a unified attack upon the problems of the orchardists in a relatively homogeneous zone extending through parts of Pennsylvania, Maryland, Virginia, and West Virginia. There is a similar procedure in the Hudson Valley fruit area, which includes parts of New York and New England. Another illustration is the coordinated approach by plant pathologists of New Jersey, Delaware, Maryland, and Virginia to plant disease problems of the Jersey, Delmarva Peninsula vegetable area.

The results of agricultural research everywhere are cumulative. While the problems to be solved typically are local ones, any fundamental principles which are uncovered in their solution may contribute to the solution of others in many lines of study.

If this bill can become law it will react to the benefit not only of our farmers and their families but of all citizens who are consumers of products of the farm.

(The table referred to follows:)

SURVEY OF COOPERATIVE RESEARCH BETWEEN THE 12 STATES IN THE NORTHEAST

(Summarized by F. F. Lininger, May 1945)

Thirty-seven different areas of cooperative endeavor were reported by the 12 States. Some of these were covered by formal agreements; others were informal.

The list includes investigation of soils, vegetables, fruits, insects, and diseases, animals, farm improvements, human nutrition, and wearing apparel.

In addition, there exist various types of cooperative effort with Federal research agencies and with other than Northeastern States:

	Maine	New Hampshire	Vermont	Massachusetts	Rhode Islands	Connecticut	New York	New Jersey	Pennsylvania	Delaware	Maryland	West Virginia	Total
Phosphorus in soils.....	X						X	X			X		4
Vegetable varieties.....		X		X		X	X	X	X				6
Tomato breeding.....						X	X		X				3
Lettuce breeding.....	X			X			X	X					4
Celery breeding.....				X			X	X	X				4

	Maine	New Hampshire	Vermont	Massachusetts	Rhode Islands	Connecticut	New York	New Jersey	Pennsylvania	Delaware	Maryland	West Virginia	Total
Vitamins in cabbage.....	X						X						2
Pea aphids.....							X	X			X		3
Potato varieties.....								X	X	X	X		4
Potato spray tests.....								X	X	X	X		3
Sweetpotato storage.....								X	X	X	X		3
Tomato spraying.....								X	X	X	X		3
Peppers.....								X	X	X	X		3
Peas, seed treatments.....								X		X	X		3
Soybeans, seed treatments.....								X		X	X		3
Root stocks, fruit trees.....	X	X	X	X	X	X	X		X		X	X	10
Grape culture.....							X		X				2
Fruit varieties.....			X				X		X				3
Control of insects and diseases of fruits.....	X	X	X	X	X	X	X	X	X		X		10
Potato blight.....							X		X			X	3
Culinary quality in potatoes.....					X		X						2
Cumberland-Shenandoah fruit conference.....									X		X	X	3
Sugar maples.....		X	X										2
Pest control.....	X	X	X	X	X	X							6
Fungicides, insecticides.....					X	X							2
Corn borer.....	X	X	X	X	X	X	X	X					8
Japanese beetle.....						X	X	X					3
Corn insects.....							X	X					2
Northeast corn conference.....									X		X		2
Holstein-Friesian breeding.....	X	X	X		X	X		X	X				7
Artificial breeding.....							X	X	X				3
Fine wool sheep.....									X			X	2
Paint materials.....							X	X					2
Farm fences.....							X		X				2
Design of milk house.....							X	X	X				3
Nationwide nutrition.....		X					X		X	X	X	X	6
Textiles, wearing quality.....					X		X	X	X		X		5
New England Research Council.....	X	X	X	X	X	X							6
Total.....	9	9	8	8	9	10	22	21	18	8	15	5	142

Dr. KEMP. I should like to make a brief comment on the matter of farmers' requests for research. This is a list of some 16 requests taken from hearings of the New York State Temporary Commission on Agriculture under date of May 28, 1946, and with your permission, Mr. Chairman, I shall read them. They are brief, and I do not think it will take very long.

The CHAIRMAN. You may proceed, Doctor.

Dr. KEMP. First, breeding to obtain varieties of crops that will yield well, are nutritious, resistant to disease, and adapted to New York soil and climatic conditions.

Second, developing new insecticides and fungicides and appropriate mechanical devices for proper application.

Third, developing means of weed control that will require a minimum of hand labor.

Fourth, cultural, variety, disease, and management problems of nurserymen.

Fifth, special research on cultural problems, disease, and insect problems of flower growers.

Sixth, the effect of various merchandising methods and practices on the ultimate quality of perishable produce.

Seventh, determine the most favorable conditions for the production of fruits and vegetables of high nutritive value.

Eighth, develop varieties or strains of pasture grasses that will withstand the dry, hot weather of July and August.

Ninth, developing new uses through processing for foods produced in excess of the fresh market requirements.

Tenth, improving the technique of processing to more completely preserve the original nutrients.

Eleventh, best varieties and methods of processing and marketing frozen fruits, vegetables, and other foods.

Twelfth, the more effective utilization of all kinds of meat and poultry produced on New York farms.

Thirteenth, diseases of poultry and other livestock.

Fourteenth, poultry production and marketing.

Fifteenth, suggested plans for farm houses and other buildings and for the installation of modern equipment and conveniences in houses and barns.

Sixteenth, labor simplification and efficiency.

Also, in connection with the northeastern agricultural experiment stations, I would like to refer to some 15 agricultural problems in the Northeast which require coordinated regional research. Dr. Clark spoke to this point before, and I think it might be well to comment on it briefly here. These problems are as follows: The Newcastle disease of poultry; the Dutch elm disease; marketing and distribution research on milk, fruit, vegetables, eggs, and other agricultural commodities produced in the Northeast; legume improvement and pasture management; the functional requirements and proper design of rural homes and farm buildings; seasonal production of milk; labor efficiency; the improvement of agricultural machinery and the application of power to farming operations; hybrid corn breeding; fruit breeding; vegetable breeding; the handling and storage of potatoes; hay production, harvesting, and preservation; conservation of the nutritive values of foods; industrial pollution of streams.

Mr. Chairman, that concludes my statement. If there is anything that you desire to ask me, I will be glad to answer it to the best of my ability.

The CHAIRMAN. Mr. Hope, do you have any questions that you desire to ask at this time?

Mr. HOPE. Yes, Mr. Chairman; I am interested particularly in this part of the program, and there are some questions that I would like to ask about it. I feel that the matter of cooperative research work is a very important feature, and I think we should have a clear understanding as to what effect this program is going to have upon the matter of cooperation between the various States, as well as between the States and the Federal Government in connection with the carrying out of these various projects for research. In the past there has been a good deal of research work done that has been done on a cooperative basis, and I think it has proved to be very satisfactory. Is that your feeling in that regard, Dr. Kemp?

Dr. KEMP. That is correct. Cooperative work has been engaged in on a rather extensive scale, and it has proved to be most satisfactory to those who have been engaged in it. It has enabled us to cover a broader field than we would have been able to do otherwise, and I think it has met with universal approval and reception by those engaged in the work. After all, their primary problem is one of finding an answer to the problems which they possess to solve; that is, with which they are faced, and which they have to solve.

Mr. HOPE. That is the very idea that I had in mind. Of course, in a bill of this magnitude, it is wise to know just what the results are going to be of such a bill, and I would like to direct a few questions which will have for their purpose an inquiry into that very point. I think Dr. Kemp is familiar with some of these topics from his association with them. Dr. Kemp, I was interested in what you said about cooperative research work that has been carried on. I would like to have your opinion on this: I presume that one incentive toward cooperative research work in the past has been the fact that there has been an inadequate amount of funds available for carrying on that kind of work. Do you think that a considerable increase in the amount of available funds such as would be provided by this bill would in any way result in less cooperation? If you had more money in Maryland, if you had more money in New Jersey, if you had more money in Pennsylvania, would there be any less effort on the part of the States involved to carry on the work rather than to carry it on cooperatively as in the past?

Dr. KEMP. I believe you will find that the investigators on these various problems are so anxious to get the best solution that wherever the problems are of an interstate nature you will find that the investigators will work in close harmony one with another. Therefore, there should be no tendency to decrease the activity in interstate research if there is an increased amount of funds available to solve the problem.

Mr. HOPE. You feel that the increased funds provided by this bill shall be used in carrying out the cooperative work?

Dr. KEMP. I feel that the problems for which the solution is being urged are great enough so that there would be no question that the money would all be used effectively and most economically.

The CHAIRMAN. Mr. Murray, do you have any questions?

Mr. MURRAY. Yes, Mr. Chairman. I would like to ask a question as to whether you have ever found in any section of the Northeast any control as far as the effect on vegetables of free fluorine?

Dr. KEMP. I cannot tell you, sir.

Mr. MURRAY. It has a health as well as a commercial value and importance. Under certain circumstances all vegetable, as a matter of fact, are liable to have more fluorine than the Pure Food and Drug Act will permit; and that the field is, first of all, to find out how to keep the free fluorine from coming from the industrial plants. I presume that is the approach.

Dr. KEMP. I perceive your point. I thought you were speaking about excess minerals in the soil itself, and I was trying to think in my own mind where in that area that occurs. There is not to my knowledge any research project in any one of the stations dealing with that. However, if there is at any one, I presume it would be the New Jersey station, but I am not able to speak to that point.

Mr. MURRAY. It is a matter of public interest under the Pure Food and Drug Act, if the Pure Food and Drug people are right in their rules and regulations. We should be able to do something so that the producer can produce these vegetables that will comply with the Pure Food and Drug Act.

Dr. KEMP. That is correct.

The CHAIRMAN. Mr. Voorhis, do you have any further questions?

Mr. VOORHIS. Yes, Mr. Chairman. Dr. Kemp, you mentioned something in your opening statement about the problems of marketing and distribution being as great as the problems of production. Is it your opinion that the passage of this law will facilitate research into the field of marketing problems and distribution problems and the problems of narrowing the spread between the farmers' return and the consumers' prices?

Dr. KEMP. Unquestionably, sir. You will recall that the witness who preceded me spoke to you about one type of cooperative arrangement which is routine between our various regions, and there are several problems, at least, in the list that has been presented for research problems out of different regions, which need such cooperative attack.

Mr. VOORHIS. There is no question about the fact that this research program is broad enough to enable such problems as those to be included within it?

Dr. KEMP. No; under section 1 of this measure I believe you will find it is broad enough to permit that.

Mr. VOORHIS. That was my impression, but I just wanted to be certain about it. Thank you.

The CHAIRMAN. We thank you, Doctor, for your appearance.

Our next witness will be Dr. L. D. Baver.

STATEMENT OF DR. L. D. BAVER—Continued

Dr. BAVER. Mr. Chairman, at this time I am appearing as a representative of all of the agricultural experiment stations, particularly on behalf of the directors, of the western region, who could not be present. I have a telegram here which I would like to read from the committee, which I have just received from the chairman of the directors of the western region, who could not be present. I would like to read this telegram which I received from the committee; I might say I have just received it from the chairman of the western region, Mr. P. S. Burgess, in which he says:

As chairman of the agricultural experiment station directors of the western region, I request you to present to the appropriate congressional committee the information relative to our research needs forwarded to you which was prepared by the directors of each of the experiment stations of the region. Regret that I am unable to come to Washington at this time, and I am asking you to represent me and the directors of the other stations in the western region. We endorse H. R. 6548 and are convinced that its passage will make large contributions toward the welfare of western agriculture.

So, I am making this statement as to the research needs of the western region for Director P. S. Burgess, of Arizona, chairman of the experiment station directors of the western region.

Unfortunately we do not have a representative of the western region at the hearings, due to circumstances beyond our control. Fortunately, however, I do have statements from all of the experiment-station directors of the western region. I also have a telegram from the chairman of the agricultural experiment station directors of the western region, authorizing me to represent them in behalf of H. R. 6548. I have previously read that telegram. I will present a brief summary of these requests.

It is estimated that not less than \$3,500,000 are needed for research on urgent problems in the several States in the region. In addition,

there are regional problems of major importance that will require at least \$2,500,000 more. Most of these problems fall in the fields of animal production, including wool; crop improvement, including pastures and ranges; horticultural crops, including processing; farm housing and mechanization; marketing and irrigation.

I should like to quote from a letter from the associate director of the Colorado station:

Present funds are inadequate to support a complete research program on the problems arising from the unusually varied agricultural conditions in Colorado, connected with dry and irrigated farming and grazing lands at different altitudes, on the plains and in the valleys and mountains.

I would like to read into the record a list of 12 requests for research from various organizations in Colorado to the Colorado station.

Also, Mr. Chairman, I would like to read into the record copies of requests have been sent to the director of the Utah station by the Utah Crop Improvement Association for a potato research program, by the Draper Poultrymen, Inc., for research on diseases of poultry and chickens, and by the Utah Cannery Association for research on lima beans, tomatoes, peas, and sweet corn.

The assistant director of the Washington Experiment Station makes this statement:

Never in our history have we had so much interest and so many demands on the part of our farmers and farm leaders for expansion of our agricultural research program.

I am presenting for the record a condensation of recommendations by the poultry producers in the State of Washington for greatly expanded research in turkey and poultry nutrition, breeding, management, and diseases; an outline of research being urged by the Western Washington Horticultural Association; and the proposed raw product research program being recommended and urged by the Northwest Cannery Association. Similar requests have been made to the Washington Agricultural Experiment Station in animal production, irrigation, and wheat production, but the examples given will suffice to give a picture of the magnitude of the problems involved.

Finally, I wish to quote from a statement from the director of the Wyoming Agricultural Experiment Station, which will give you a better idea of the diversity of the problems facing research administrators in the western region:

Each year a group of Wyoming farmers, who call themselves the pest-control committee, asks for \$20,000 to \$50,000 per year to be put into research on weed control. The Farm Bureau annually asks for more research in cooperative marketing. I have a committee of farmers and ranchmen who advise me in regard to the needs for research in the Wyoming Experiment Station. They are constantly calling for more research on the nutritive value of range forage and in diseases and parasites of livestock. There is a commercial seed industry in Wyoming, and the people interested in it are calling for more research on the diseases of beans and other garden seeds. The beet sugar people in the State are calling for research on the use of fertilizer on beet culture. The aviation interests are urging for more work on research for grass cover for airfields in aid regions. Year after year we get resolutions from the State farm bureau and State reclamation association calling for work in research and irrigation. At present the Reclamation Service, which is bringing new settlers to the various irrigation projects in Wyoming, is calling on the university for farm management research, and the Soil Conservation Service and the Forest Service are asking this station to enter into cooperative research on range management, meadow

and pasture improvement, and design of water-distribution systems. The station is not able to enter this field because of lack of funds.

Let me say in conclusion that as a native of another region, I have been greatly impressed by the statements of the directors of the western region as they have pointed out the enormous diversity of problems that exist in the agricultural economy of that area, particularly the variations within a given State. Undoubtedly, the western farmers, like our farmers in the South, appreciate the great need for more research to help them solve their local problems. I was especially interested in the request of poultrymen in Utah for an intensified research program to help control the colds in poultry. That is one of our major poultry diseases in North Carolina. Our farmers are asking for the same kind of help. It is obvious that the Utah station cannot solve our problems in North Carolina or vice versa.

I have here a list of agricultural organizations and farm groups requesting additional research from the Colorado Agricultural Experiment Station. They are brief and I will read them. I believe it will give you an idea of the problems that we have confronting us generally.

First, leading dairymen and the Record Stockman—an adequate research program on dairy research and products.

Second, Colorado Poultry Improvement Association—incubation factors at various altitudes, poultry diseases, poultry housing.

Third, Rocky Mountain Fur Growers Association—reproduction, disease, and parasites of foxes.

Fourth, Colorado Rabbit Growers Association—feeding, breeding, diseases, and parasites.

Fifth, Colorado Flower Growers Association—greenhouse problems.

Sixth, Potato Growers Association—potato virus diseases and marketing.

Seventh, Denver and Rio Grande Western Railroad agricultural agent and vegetable shippers and growers—virus diseases of pod peas.

Eighth, Peach Board of Control—virus diseases and marketing.

Ninth, Colorado Water Conservation Board and Federal Agencies—information on irrigation policy and practices.

Tenth, Colorado State Agricultural Planning Committee—economic studies of taxation.

Eleventh, Colorado Wool Growers Association—wool studies.

Twelfth, Northern Colorado Growers Association—cherry fruit worms.

Mr. VOORHIS. Did you say cherry fruit worms?

Dr. BAVER. That is correct. I next have a letter from the Utah Crop Improvement Association, Utah State Experiment Station, Logan, Utah, under date of March 12, 1946. This is addressed to Dr. W. L. Manliss and Dr. R. H. Walker, of the Utah State Agricultural College, Logan, Utah, and is signed by Selvoy J. Boyer, president. It says:

The Utah Crop Improvement Association, in duly authorized assembly, March 9, 1946, and after consideration of the potato problem involved, ask you to give serious consideration of instigating a potato research program in Utah to the end that a potato industry may be maintained on a commercial basis.

Next is a letter from A. R. Mickelsen, of Draper Poultrymen, Inc., a firm which deals in feed, supplies, and mashes, at wholesale and retail. They are located at Draper, Utah. Under date of May 10, 1946, Mr. Mickelsen, writing Dr. R. H. Walker, director, experiment station, Utah Agricultural College at Logan, Utah, says:

We are appreciative for the information and assistance that has come to the poultry industry in Utah from the poultry department and the experiment station, of the college.

We know that there are many problems yet to be solved and intelligent research and experimentation is the only way in which we hope to get new information. If the industry is to be kept on a profitable basis, we must solve our problems and find ways and means of reducing our poultry mortality and decreasing our cost of operation.

We feel like the college could help considerably by doing some research on respiratory diseases of chickens and turkeys.

We are confronted with one or more respiratory diseases in chickens aside from coryza and laryngotracheitis and which cause severe losses in growing birds and laying hens.

We are also confronted with a respiratory disease of turkeys which causes many losses in flocks throughout the State. Sinusitis is taking too great a toll in our turkey flocks and possibly secondary infections are also contributing factors.

We would like to suggest that the experiment station undertake research projects endeavoring to get new information on these diseases with respect to cause and control methods.

The next letter is from the Utah Cannery Association, by its secretary, Harvey F. Cahill, of Ogden, Utah, under date of May 14, 1946, directed to Mr. R. H. Walker, director of the Utah Agricultural College Experiment Station, and reading:

The research committee of the Utah Cannery Association recently discussed some of their technical problems and desire in this manner to place before your station for future consideration some of these problems that are in urgent need of further study and research.

Lima beans: There is no variety or strain known at this time that is adapted to Utah growing season. Our acreage of this vegetable has decreased from 2,000 acres in 1940 to approximately 350 acres in 1946. There has been 15 to 20 percent of our acreage each year that has not been harvested because of failure to set pods or that set them too late for processing. We feel that some strain of quality sufficiently good for canning and freezing could be developed under Utah conditions and would greatly improve this situation.

Tomatoes: A fertilization project is greatly needed to increase the vine growth, lessen sun scald, and increase the solidity of this fruit. These factors are all greatly improved in the fruit from the land in our newer districts, and we feel that Davis and Weber Counties can be brought back under proper fertilization, rotation, and irrigation programs.

Our moapa plants, while the best available, are not ideal under present conditions. Practically every year they must be forced in order to be ready for our local planting season. This forcing of necessity makes a very soft and tender plant that requires from 1 to 2 weeks to start after transplanting. The moapa is also becoming infested with nematodes and other insects.

Peas: Eastern stations are reporting very great success in holding quality of pea through late applications of nitrogen. The quality of Utah peas has decreased each year so greatly under the stress of war demands that future markets will be lost to Utah canners and growers if this condition continues. If we could prove the eastern results, it might be a main factor in controlling this problem.

Sweet corn: The Utah acreage of this crop has increased 3,000 acres the past 3 years and under proper economic conditions should reach 5,000 to 6,000 acres the next 2 years. While many strains of sweet corn, now commonly used, are suitable for the lower valleys, there are none of sufficient early maturity to guarantee a full maturity in the higher elevations. This problem must be met if counties such as Cache and Sanpete get into full production.

We realize and appreciate the assistance and cooperation your station has rendered to us, and this letter is in no way a criticism but rather a prospectus that we hope we can all work toward. Your station personnel, while we realize are not sufficient in number, always have done everything in their power to assist and in many cases solve our problems and for this we are duly appreciative.

Next I have a list of pertinent suggestions for poultry and turkey research work at the State College of Washington by the poultry producers of the State of Washington. Incidentally, this will answer some of the questions that were raised earlier in the hearing. For instance, it states:

Nutrition studies: An adequate nutritional program for both chickens and turkeys is recommended by this committee. Personnel and facilities should be sufficient to keep abreast of the various problems which confront the industry from time to time. We are listing below some of the problems needing immediate attention.

Protein studies: More information is needed in regard to the amino acid requirements of chickens and turkeys. An example of what might be accomplished in this field would be to work out the amino acid supplements necessary to supplement such proteins as soybean meal so that such a mixture would give results equal to more efficient types of protein, such as fish meal. To what extent is the problem of low hatchability in turkeys related to protein quality?

Vitamins: To what extent is the problem of dermatitis in turkey poults and hatchability in turkeys related to the vitamin content of the feed?

Requirement studies in which the need for the various nutrients are determined for chicks and turkeys should be conducted.

Interrelationships of various nutrients such as minerals, vitamins, proteins, and so forth, should be studied as they affect egg production, shell quality, bone malformation, hatchability and growth.

Genetics: Breeding projects for developing information in regard to the heritability of various factors not fully understood, and for development of breeds or strains which will improve the quality of chickens and turkeys of the State, should be conducted.

Hatchability in turkeys: To what extent is the problem of low hatchability in turkey flocks due to the genetic make-up of the turkeys now being raised in this State?

Development of strains of heavy breed meat birds, either hybrids or pure strains which will be superior to birds now being produced is a problem of vital importance.

Disease resistance: The disease-resistance breeding program at the Western Washington Experiment Station should be continued with emphasis placed on determining the best way to improve the disease resistance of the commercial poultry flocks in the State.

Management studies: Problems in management which need to be determined at the experiment stations are management of turkey breeders and the effect on hatchability. Such studies as the deep litter experiment at the Western Washington Experiment Station should be continued. The effect of processing chicken and turkey feeds should be determined. Methods of feeding need further study. Range management, particularly in turkey flocks, should be worked out in relation to economy of production and to disease control.

Disease studies: Probably no factor has such a large influence on chicken and turkey production efficiency as the loss due to disease. The committee recommends that a constructive research program be carried out to determine the best methods of disease control.

Also, I have request for research by the Western Washington Horticultural Association in which they make this statement.

The Western Washington Horticultural Association urges a more adequate program of research in the following fields by the Washington Agricultural Experiment Station:

A study of the important soils of western Washington to determine the crops for which they are best adapted, and the soil management and fertilizer practices required for most profitable production of these crops on these soils.

The development of better planting stocks of the important and promising crops, including new varieties of food crops adapted to specific uses such as canning and freezing, and the development of new varieties that are more productive and less susceptible to attack by insects and diseases.

Further development of improved methods of propagating ornamental plants and bulbs, fruit trees, and berry plants.

Improvement of cultural methods, especially the development of more adequate information as to cultural requirements for vegetable crops including studies of best irrigation practice.

The development of better methods of weed control.

The improvement of farm machinery and further mechanization of cultural and harvesting operations.

The study of ornamental plants and bulbs to determine those crops and varieties best suited to commercial culture and home beautification.

More adequate development of control measures for harmful insects and plant diseases.

The association urges the development of an adequate research program, with suitable facilities, to aid in the solution of such problems of the local processing industry as cannot be solved adequately elsewhere.

Some reference has been made to research into raw products. In that connection I have a proposed raw-product research program as recommended by the Northwest Cannery Association Research Committee to the Washington Agricultural Experiment Station, in which they say:

Consideration has been given to the scope of a research program that would tend to result in a more stable agricultural production of processing crops as reflected by higher acre yield, maximum quality, and reduced cost of field production. In any such program both the long-range and immediately pressing problems must be evaluated; therefore the recommendations of the association are presented accordingly. Emphasis should logically be on those crops representing the greater value of the total pack or those presenting special field production problems. Field research on these crops should be conducted in areas representative of those locations where the largest tonnage of the particular crops is produced. A survey of the Northwest canning industry indicated the following tentative figure for 1945: Apples, the value of the canned product was \$419,895.25, representing 77,000 common cases. I might say that this is wholesale for the 1945 pack. These figures, of course do not take into consideration capital investments in factory facilities, nor frozen, dehydrated, or brined products. Cherries, value of the canned product is \$3,249,365.28, representing 455,934 cases. Pears, the value of the canned product is \$9,854,487.30, for 1,787,794 cases. Prunes, \$1,207,260.12, representing 366,598 cases. Peaches, \$1,465,266.13, representing 283,652 cases. I might say that in connection with apples in 1944 there were 450,000 cases, whereas in 1945 there were 77,000 cases. As far as peaches are concerned, in 1944 there were 1,253 cases. Apricots, the value was \$7,848.60, representing 30,420 common cases. Beans, \$1,400,515.96, representing 299,459 cases. Beets, \$334,802.05, for 93,792 cases. Carrots, \$256,024.46, representing 106,640 cases. Asparagus, \$1,429,365.85, for 236,839 cases. Tomatoes, \$918,810 for 206,105 cases. Corn, \$2,018,423.36 for 690,979 cases.

Peas, \$7,476,960, representing 3,738,480 common cases. Spinach, \$188,096.52, representing 33,280 cases. Pumpkins, \$51,211.42, representing 24,079 cases.

Following are the research outlines suggested by the Cannery Association, representing an outline of immediate vital problems:

Control of carrot rust fly in Puyallup area.

Develop method of producing disease-free strawberry and insect control.

Corn earworm control on sweet corn.

Cherry fruit fly control in central-western Washington.

Development of peach and apricot varieties to extend harvest season in Wenatchee-Yakima Valleys.

Enlarged program of berry testing and breeding in Clark County and Puyallup.

Black-root control on table beets in Whatcom County and Puyallup.

Pea aphid control Blue Mountain area, Yakima Valley, and western Washington.

Weed control in canning peas and asparagus.

Study of economic importance of and control of oriental fruit moth.

Canning pea crop rotation and fertilizer studies in Blue Mountain district.

Rejuvenation of prime orchards in Clark County.

Mr. HOPE. What does the western region include?

Dr. BAVER. Montana, Wyoming, Colorado, New Mexico, and, west. At the beginning of our preparation for getting material relative to the over-all research field, as chairman of the over-all committee, I was charged with the responsibility of contacting all the directors of the experimental stations of the country outside of the southern regions, since we have already had those gotten together relative to their problems and the research needs of those particular States. It is in connection with that work that I gathered here the material which I have just read to you from the western region, which I have assimilated into this particular report. I believe that is a brief and concise way to present it to you. That, Mr. Chairman, represents the statement relative to the western directors. If there are any questions on that I will be glad to answer them; but if there are no questions on that I have an additional statement to make on home economics.

The CHAIRMAN. If there are no questions, you may proceed.

Dr. BAVER. Mr. Chairman, Miss Jessie Harris, of Tennessee, representing the home-economics divisions of the land-grant colleges, and director of the School of Home Economics, University of Tennessee, had to leave last night, and she has asked me to express her appreciation to the chairman of this committee for including the improvement of the farm family as well as one of the major features of this research program, and also she has asked me to read to the committee this brief statement, and with your permission I will do so.

The CHAIRMAN. You may proceed.

Dr. BAVER. This is from Jessie W. Harris, director of the School of Home Economics, University of Tennessee, in which she says:

I represent the home economics division of the land-grant colleges in support of H. R. 6548.

The land-grant colleges are unique among educational institutions in that they have three educational services interrelated: a research program for finding the solutions to agricultural problems through the agricultural experiment stations; the agricultural extension service for reaching every farm in the State with scientific information; and, resident teaching program for training the leaders and research workers in agriculture. Thus agriculture is on a sound educational basis which may be likened to the security of a well-built three-legged stool.

The land-grant colleges also serve the homemakers, but not as effectively as they serve farmers; for although there are well-developed resident teaching programs in home economics, and far-reaching extension education through the home-demonstration work, there is not at present an equally well-developed program of research. Thus teaching of homemaking in the colleges and through the home-demonstration service lacks much basic knowledge needed if these programs are to be effective in improving homes. The result is that the home-making education programs of the land-grant colleges are uncomfortably insecure—one leg of the stool is missing or is impaired. Without research much of the program of home economics is as insecure as one would be sitting on a two-legged stool, or on a three-legged stool with one leg shorter and weaker than the other two.

We ask favorable consideration of H. R. 6548, so that an adequate program of research on problems of the home may be developed as a sound basis for the resident teaching and the extension programs of homemaking in the land-grant colleges. To illustrate: Home demonstration agents are teaching homemakers methods for home canning of foods, but there has been little research on canning foods by home methods on which to base such instruction; therefore we have

had to turn to the canning industry where processing is very different, and interpret their research in terms of home canning, adding, by guess, a safety factor in time and temperature, with avoidable reduction in the quality of many home-canned foods. The best method of home canning must await research from the agricultural experiment stations.

Homemakers are eagerly and insistently seeking information on the home freezing of foods. We do not have the answers to their questions. The frozen-food industry is spending large sums of money for research on frozen foods but their processes are not suitable for the home, and the results of their research are closely guarded secrets because of the highly competitive nature of the frozen-foods industry. Research to guide the homemaker as she attempts to avail herself of freezing as a modern method of home food preservation is urgent. The land-grant colleges are caught almost empty-handed as homemakers eagerly seek help.

In further support of H. R. 6548, I submit the following pertinent facts:

First, an improvement in the nutritional status of the people of the United States is an urgent national need. All programs of nutrition education are dependent upon research for basic facts. No adequate research program on the nutritive value of food and human nutrition requirements exists now.

Second, the acute need for an adequate research program on human nutrition and food values was made glaringly evident by the fact that the armed forces had to reject 40 percent of the men called for service during the war. A large proportion of these physical defects resulted from malnutrition and accompanying disease.

The efficiency of industrial workers, school children, and in fact of the entire population in many areas is seriously impaired because of inadequate diets and poor nutrition. As improved nutritional status of the people in all walks of life is essential to our national life, it depends upon an adequate research program.

The United Nations through its Food and Agricultural Organization has recognized the extreme importance of strong national nutritional programs, and of the relationship between agriculture and nutrition. Research properly initiated now will serve a major role in the future lives of millions of people throughout America and the world at large.

Feed deficiencies are undoubtedly tied up with soil deficiencies as well as food habits of people. The importance of soils to human nutrition is at present an unsolved problem awaiting research.

Considerable fundamental research is needed on the nutritive value of agricultural products not only to provide a higher plane of nutrition for people but also to bring about a greater consumption of the products of the farm. Unsolved problems on the nutritive content of dairy products, peanuts, sweet-potatoes, vegetables, citrus fruits, and many other farm products need thorough investigation. Such researches will undoubtedly yield profitable results to both producer and consumer.

Third, there are no funds appropriated to the experiment stations specifically for research on the nutritive value of food or for studies of human nutrition, but a significant beginning has been made in nutrition research. During the war, at the request of the War Department, some of the funds available to the agricultural experiment stations have been used for studying the nutritive value of food. In this project the experiment stations of the several States cooperated, demonstrating the extent to which such cooperation can be carried out, eliminating duplication, and working effectively together. The nutrition research carried on by the agricultural experiment stations must be considered a temporary program for with the return of veterans to the experiment stations, the experiment stations must return to agricultural research projects for which there is pressing need and for which funds are inadequate.

Fourth, if the livestock on the farms of the United States were as poorly nourished as the people, it would be considered a national emergency and funds would no doubt be available to study the causes and remedies for the situation.

The land-grant colleges feel amply justified in presenting to the Congress the prevalence of human malnutrition problems and the need for financial support of a national program of research on food values and human nutrition problems to be conducted through the agricultural experiment stations.

In supporting H. R. 6548, we recognize that the peacetime needs of research in home problems includes not only problems of food and nutrition, but that it also includes other important problems needing research such as farm family housing and family economics. The program of farm price support lacks important data

because there has not been through a period of years a study of the cost of living of farm families as it relates to standards of living. Such studies have been made for some years on industrial families by the Bureau of Labor Statistics of the Department of Labor. It is equally important that similar factual data be available on farm family living in the several States.

As a representative of the home economics division of the land-grant colleges, I support H. R. 6548 because a broad research program in the problems of the rural home is needed. H. R. 6548 would provide financial support of such a program and would place in the agricultural experiment stations the responsibility for developing a well-balanced program of research in home economics, thus strengthening both the teaching and the extension programs in home economics and making it possible for the land-grant colleges to serve the rural homes of the several States as they now serve the farms.

We believe this bill merits favorable consideration by this committee and by the Congress, because it makes possible an expanded research program for the benefit of rural people that is national in scope, close to the people, and developed cooperatively in the several States without duplication.

Mr. Chairman, I would like to have included in the record statements from several of my colleagues in the land-grant colleges on the need for research in foods and nutrition.

Sarah G. Blanding, dean, New York State College of Home Economics, Cornell University, and president elect of Vassar College:

Progress in this country has been the direct result of research that has been carried on. Progress in medicine, progress in technology, progress in industry has all been the result of research. Certainly progress in agriculture has come from the research that has been done in the experiment stations of the land-grant colleges.

I would like to point out a striking example of how the research in the experiment stations has improved one particular area in agricultural production. There was a time when the manufacturers of feed simply threw in a certain grain and sold the feed. Then the animal nutritionists attached to our experiment stations came along and developed formulas, so much protein, so much fat, so much this, that, and the other, formulas based on what the animals actually needed. That information was taken out from the experiment stations to the farmers through the extension service, and the farmers asked for feed which had these various nutrients in it. One company started to manufacture feed based on a formula that was developed at Cornell University. That formula was put on the package of feed, and the first thing we knew, because food education has been given to the farmers of New York State, the farmers began asking for feed with this variation of nutrients in it. Then every company that sold feed began to put the formula on the package, so much protein, so much this, so much that, on their own feed sacks, and we have had actually a revolution in feeds that are sold now for animals. Consequently our animals in New York State are fed scientifically, and are fed much better than our people.

This was proved to all people that we feed our animals better than we do our children. We know a great deal about nutrition but we need to know a great deal more. It is one of the most important things that this country can do in developing a sound, healthy and almost a super race.

Dr. Florence B. King, head of the home economics department, University of Vermont:

As a member of the home economics department of the University of Vermont and the State nutrition committee, I am interested in the nutritional status of the children of the State. I am also interested in the girls who come to us as students.

The people of Vermont were not very much interested when the State nutrition committee began to study and try to help them with their nutritional habits. You know, it is always the family down the street that is undernourished, not the members of our own family. So we decided to make a study of the nutritional status and health status of about 400 Burlington elementary and junior high

school children. These children came from all of the economic levels represented in Burlington and environs. Some of the parents didn't want to claim their children when we analyzed the results. We found that 85 percent of those children had had rickets some time earlier in their lives. 40 percent of them had ascorbic acid levels below that considered normal for good nutrition. 42 percent of them showed a disease called folliculosis, which is something like goosepimples on the skin. A great number of them, and especially the country children, didn't have very good protection from anemia. Many of them had scars at the side of the mouth, corners of the mouth, and at the nose and eyes. And also the teeth of the children were very bad. These, as far as we know, are all caused—those defects are all caused by dietary deficiencies.

We analyzed the diet of these children and found that they were all getting what we call "three square meals a day" and were eating as much as they needed, as far as quantity was concerned, but apparently the quality of the food was not adequate for proper nutrition. We could only surmise what was the trouble.

Up in Vermont we are at the end of a line as far as food distribution is concerned. All of our food travels for days before it arrives there, and sometimes it is held in storage in the interim. We know a great deal about the effect of storage and transportation on the nutritive value of food but we don't know a great deal about how we can improve harvesting and marketing and storage so that the nutrients will still be in the foods when the child eats them.

Also we know that cooking processes in the homes, home storage, also affects the food and makes it very much less in nutritive quality, but we do not know what are the best methods of cooking and of home storage to maintain nutritive qualities. We need to know more about that.

We have a very short growing season in Vermont, and therefore we have to use a great deal of canned foods. We don't know a great deal about the losses in freezing and in dehydrating and in canning foods. We need to know more about what are the best methods for processing these foods.

We are encouraging families to raise gardens, but we don't know what kind of seed to tell them to grow for the best nutritional qualities. We can tell them what to use for heat and cold resistance, drought resistance, and the kind to get the most tons per acre, but we don't know what kind of seeds to recommend for the best nutritional qualities.

These foods that are raised in gardens are processed for winter use. Here again we don't know what is the right method to recommend for processing these foods. I don't think you realize that in America the home kitchen is the biggest processing plant in the country. Millions are spent by food manufacturers and food processing concerns on the quality of their foods, but a comparatively small amount of money is spent on means of the proper preserving of food in the home.

What I am trying to say is that the studies we have made showed the magnitude of the problem of preserving the nutritive qualities in food. Now what we need are funds to solve some of these problems. I don't believe that these studies can be made by one State or in one State. They should be cooperative among the States, and they should be cooperative marketing specialists, with food processors and with all of the people along the line from the producer to the consumer, before we are going to learn the answer to these questions.

Miss Charlotte M. Young, School of Nutrition, New York State College, Cornell University:

I would like to make the plea that I consider our main and most important crop in any state or nation as a whole is people.

I come as more or less of a practical, applied nutritionist to tell you why I feel so seriously that there is a great need for further integrated research in the field of human nutrition. I have had graphic evidence to me that good nutrition is a tremendous factor in human achievement, in human happiness, and more abundant living. I feel very definitely that food is the raw ingredient of human tissues.

Perhaps I can best illustrate my point if I try to take you with me for a minutes to Cornell University. Some people think that all dietary problems and nutrition problems are found either among the poor, or are found in the rural groups or in the industrial population, but even in as privileged a group as Cornell University students—and I think it might apply to many student groups—we have young men and young women who are not as well nourished as they might be.

Now for some 3 years we have been having a comparative program between the School of Nutrition of the New York State College of Economics and the department of clinical and preventive medicine as a special diet table set-up. Up here we take students who seem to have problems that we think we can help in some way by good, well-rounded diet made up of natural foodstuffs. I think that the results, even to the most experienced nutritionist, are really amazing.

What we need now more than anything else is some good research work to be able to tell us the hows and whys of why we got these results. We need to know the relation of each factor in the diet in achieving these results, and we need to know a great deal about the interrelationships of various factors in the diet. The more work that is done along this line the more we will find out about the diet and the relationship between the various parts, which is extremely important, and yet we have very little research that gives us this information. We have done just enough to see that we have a tremendous field ahead of us, a field which it seems to me has very rich opportunities in terms of human happiness and health.

If there are any questions, I should be glad to answer them. That concludes my presentation, and the general presentation on behalf of the land-grant colleges.

The CHAIRMAN. I would like to take up next representatives of the farm organizations; Mr. Goss of the National Grange; Mr. Ogg, of the American Farm Bureau; Mr. Davis, of the National Council of Farm Cooperatives; Mr. Holman, of the National Milk Producers Federation; Mr. Smith, of the National Farmers Union. I am going to ask the representatives of these farm organizations to appear before the committee. Will it be satisfactory for them to appear on Monday?

Mr. OGG. I will be out of town Monday, attending a meeting in New England. I am sorry that I cannot be here.

The CHAIRMAN. I doubt if we can get through with all of the representatives in one day.

Mr. OGG. I will be here Tuesday.

The CHAIRMAN. We could hear you on Tuesday. Mr. Smith, would that be satisfactory with you to proceed on Monday?

Mr. SMITH. Monday would be agreeable to me.

The CHAIRMAN. I will contact Mr. Goss and Mr. Davis and Mr. Holman and see if they can be here on Monday, and we will proceed with their testimony as far as we can, and then we will hear you, Mr. Ogg, on Tuesday.

Mr. OGG. I am sorry, I had already made an appointment for that time.

The CHAIRMAN. Do you think that we can get through with the farm organizations on Monday and Tuesday?

Mr. OGG. I would say that we could.

The CHAIRMAN. Suppose we work toward that end, that is, finishing up of the testimony of the representatives of the farm organizations on Monday and Tuesday, and then we hope to begin hearing from the representatives of the different farm products, such as tobacco, cotton, wheat, and other grains on Wednesday. We will start hearing those on Wednesday.

Mr. OGG. I will be ready to start on Tuesday. That will be satisfactory to me.

The CHAIRMAN. Without objection, the hearing will stand in adjournment now. If there is nothing further to come before the committee, we will stand adjourned until Monday at 10 o'clock.

(Whereupon, at 12:30 a. m., the committee adjourned to reconvene at 10 a. m., Monday, June 17, 1946.)

AGRICULTURAL RESEARCH

MONDAY, JUNE 17, 1946

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. John W. Flannagan (chairman) presiding.

The CHAIRMAN. The committee will please be in order.

We will continue this morning the hearings on H. R. 6548. The first witness is Mr. Russell Smith, secretary of the National Farmers Union. We will be glad to hear you at this time, Mr. Smith.

STATEMENT OF RUSSELL SMITH, LEGISLATIVE SECRETARY, NATIONAL FARMERS UNION, WASHINGTON, D. C.

Mr. SMITH. Mr. Chairman and gentlemen of the committee, my name is Russell Smith. I am the legislative secretary of the National Farmers Union, located in Washington.

The bill now before the committee, introduced by its able chairman, Mr. Flannagan, has a long and honorable genealogy. It is but the latest of a long line of efforts on the part of farmers and Government alike to bring to all farmers the fruits of scientific knowledge, a series that began with the founding in 1785 of the Philadelphia Society for the Promotion of Agriculture and the recommendation by President Washington in 1796 that Congress establish a national board of agriculture. H. R. 6548, of course, is an effort to modernize the authorizations for research on the part of the experiment stations individually and in cooperation with each other and with the Department of Agriculture, and to afford additional funds for such research.

It is immediately an outgrowth of the Bankhead-Jones Act of 1935, but in a sense its origin may be said to date back to the establishment of the first agricultural experiment station at Wesleyan University in Connecticut in 1875, the spread of such stations until the formation of the Association of American Agricultural Colleges and Experiment Stations little more than a decade later, the passage of the Hatch Act of 1887 that established the Office of Experiment Stations, and, for the first time anywhere, a national system of agricultural experimentation. It may be noted that the Hatch Act antedates the attainment of Cabinet status by the Department of Agriculture itself.

In turn, the movement for the establishment of experiment stations was but part of a long historical trend, an insistence by farmers that the power of government be used to democratize science. In the early

years of our Nation this desire found expression in the formation of local lyceums, which were in effect adult educational associations. By 1851, 900 towns had such lyceums. But the movement proved inadequate, as did the effort of the newer States to build up educational systems. The demand of farmers for further action grew and grew until finally in the burst of agrarian legislation that coincided with the Civil War, the Morrill Act was adopted. After the rise of the experiment stations, it became clear that the nature of the agricultural vocation would limit the benefit of research unless its results were carried out aggressively to the farms themselves, and so the Smith-Lever Act of 1914, establishing the Extension Service, and the Smith-Hughes Act of 1917, setting up the vocational agricultural system, were adopted.

I have outlined this historical development briefly in order to emphasize to the committee both the importance of the measure itself and its close relationship to the other governmental devices farmers have sought in order to bring to themselves the benefits of knowledge and scientific progress. The National Farmers Union during its more than four decades has supported every effort of this kind. Indeed, the desire for greater educational means and for improved technical assistance to farmers was one of the inspirations of its founders, as is evidence in the formal name of the organization, the Farmers Educational Cooperative Union of America. Accordingly, I am glad, on behalf of our organization, to endorse strongly H. R. 6548. We think it is a much-needed bill and hope that it will be adopted. We have a few comments to make upon specific sections of the measure, and wish to emphasize again the relationship of research and of the means of carrying that research to farmers.

If research is to remain in the laboratory or to lie unused on dusty library shelves, then it had just as well not be conducted. It should be remembered always, therefore, that the means of getting this knowledge in actual use on farms remains a central problem. It is well known that in many States the principal agency for bringing these advances in knowledge to farmers the Extension Service is limited in its function because it is forced to spend time and personnel in advancing the interest of a private-farm organization. The National Farmers Union deplors that fact, not alone because the practice places it at a disadvantage, but because it is a bad public practice, and we reiterate our view that Congress should exclude from the receipt of Federal funds any State where this practice exists.

Mr. PHILLIPS. Would you mind repeating that last statement?

Mr. SMITH. I will just state it in my own words. Maybe that will make it a little clearer. The point is that in many States the Extension Service is forced to spend time in attempting to solve problems for private-farm organizations, and therefore limited in its service to farmers generally. So we reiterate our position that Congress should exclude from the receipt of Federal funds any State where this practice exists.

To turn to H. R. 6548 itself, we are strongly in favor of the new section 1 of title I of the Bankhead-Jones Act which the measure would write into law. There is a clear need for such modernization, the effect of which is to enable the use both of funds authorized under earlier acts and those authorized under this bill for the purposes set

forth in the new section I. We particularly endorse the inclusion of housing and building research in this section, for farm and rural housing is the worst existing among any economic group.

We have but one suggestion to offer, and that is in the nature of an addition rather than of suggestion for revision of the present text. Our suggestion is that the following sentence be added after line 13 on page 4:

The primary objective of all research conducted under this section shall be the promotion of the family-type farm as the prevailing pattern of American agriculture.

We believe firmly that an agriculture composed of family-type farms is the healthiest agriculture, indeed, that it is essential if the farming population is to enjoy fully the privileges and benefits of democracy. Accordingly, we urge that the guiding star of all research be the encouragement of that kind of agriculture.

We find the provision for additional funds to carry out the purposes of section 2 of the Bankhead-Jones Act admirable, and the provisions for matching by the States, the formula for the allotment of funds, and for regional research all highly satisfactory. The provision for cooperative research on problems that affect two or more neighbor States we believe to be a salutary and statesmanlike provision, and the mechanism of an eight-member committee to propose such regional projects we regard as excellent.

As to section 10, we also are wholly in sympathy and hope that Congress will authorize the funds proposed specifically for research in utilization of agricultural products. We have one suggestion for additional language in this section. This would be in the nature of a proviso, to be added immediately after line 20 on page 10, reading as follows:

Provided, That no license or patent shall be granted to any individual or firm on processes, inventions, techniques of research, or other results of such research.

Further, it might be desirable to insert the word "publication" in line 19 on this page, immediately preceding the word "dedication."

The effect of that change would simply be to make the sentence on that page read:

Any contracts made pursuant to this authority shall contain requirements making the results or research and investigations available to the public through publication dedication, assignment to the Government, or such other means as the Secretary shall determine.

Both of these suggestions, of course, are simply by way of defining more explicitly the present intent of the section. They may perhaps be regarded as superfluous, but in a matter of such importance it is our belief that Congress will want to make as explicit as possible its intention that publicly conducted research shall rebound to the benefit of the general public and not be the means of private monopoly or control.

We are very glad to note the concluding provision of the bill, that calling for the establishment of an advisory committee to be composed of representatives of the general farm organizations. The development of the device of such advisory committee during the war has proved its usefulness, and we hope that this bill's provision will establish a precedent for future agricultural legislation.

It is our understanding that this hearing also is open for comment upon H. R. 6692, the measure proposed by Mr. Hope, the able ranking minority member of the committee. I am not clear as to whether separate hearings will be conducted later on this bill, but have taken the occasion to sketch here the general position of the National Farmers Union with regard to it.

The CHAIRMAN. May I suggest that we hear the testimony of the witnesses on the research bill first. Then we want to hear testimony on Mr. Hope's bill. I propose to redraft H. R. 6548 by inserting H. R. 6692 as title II.

Mr. SMITH. Then there is no point in our discussing Mr. Hope's bill at this time.

The CHAIRMAN. We may have some additional time this morning. Mr. Albert Goss cannot be present until tomorrow. Some other gentleman came into my office and stated that because of illness in his family he wishes to be heard at a later date.

Mr. PACE. At the same time, Mr. Chairman, I understand there may be some modification of Mr. Hope's bill, that would be redrafted in title II, and I believe that it would be, to say the least, convenient to have his comments at that time.

The CHAIRMAN. Yes; we will want to hear him on it. Suppose you conclude your testimony on the pending bill, and when we get to Mr. Hope's bill we will ask you to return then.

Mr. SMITH. Very well.

The CHAIRMAN. Have you concluded your statement?

Mr. SMITH. Yes.

The CHAIRMAN. Are there any questions?

Mr. PACE. I have one or two questions.

On the subject of patents, Mr. Smith, you take the position you have outlined because this will be publicly financed research?

Mr. SMITH. That is correct. I take it that it is unnecessary to make the same point about research conducted by the Government. This provision here refers to contract work, and it seems to me it ought to have the same status.

Mr. PACE. You would not insist on the same position if it were purely private research, independent of any connection with the Government?

Mr. SMITH. No; I do not think that would have any place in the legislation.

Mr. PACE. I do not think so although we do hear now some talk among some people who are willing to destroy patent rights, and my own reaction has been that when we destroy the incentive that comes to one who works all day and all night, for months and months and years, and discovers something of value, if it is to be taken from him, we would lose many improvements that would otherwise result.

I think clearly you are right, that if this is going to be publicly financed research the public is entitled to the benefits, but I take it you would not go so far as to say it should cover private research.

Mr. SMITH. No. That is the only position we take here.

The CHAIRMAN. Are there any further questions?

Mr. PHILLIPS. Your specific approval of the provision on page 8, which contains the limitation of 25 percent, went beyond the wording of the statement?

Mr. SMITH. I endorsed the provision generally, Mr. Phillips, for that kind of encouragement, in that kind of activity. I did not specifically refer to the 25 percent. In fact, I did not regard it really as a limitation, because I did not think anywhere that much money was at present being spent in that kind of activity.

Mr. PHILLIPS. What I meant was the problem we have today in research in marketing seems to me to go beyond the borders of the States, and this limitation, as I understand, is an opposite limitation. The limitation is that more than 25 percent of the sums appropriated for any fiscal year under this section shall be allotted to the States for cooperative research in which two or more States are involved. This concerns the agriculture of more than one State. Where can you find a problem of that kind that does not extend or go beyond the borders of one State?

Mr. SMITH. It did not strike me that that was exactly the issue, Mr. Phillips. It is quite true that most of the marketing problems do cross State lines, but in a good many instances individual State colleges now conduct research on problems that cross State lines. As I understood, this was a design to expand that activity by means of making it easier for them to cooperate.

Mr. PHILLIPS. I think it would have the opposite effect, would it not?

Mr. SMITH. I do not, frankly. If it should have that effect I would be in favor of increasing the limitation. I see no particular reason for the limitation.

Mr. PHILLIPS. I felt it was a rather unnecessary limitation because the intent of the station would be to deal with the local objectives.

Mr. SMITH. Yes.

Mr. PHILLIPS. And most of the marketing problems do go beyond the State border.

Mr. SMITH. Yes. We are for expanding it, regardless.

Mr. PHILLIPS. There is just one other question I would like to ask, and that which is considered the fourth, so far as the four agricultural organizations to cooperate are concerned: which is considered the fourth of the four general farm organizations referred to in line 11, on page 4?

Mr. SMITH. Mr. Chairman, I took it that referred to the National Council of Farm Cooperatives.

The CHAIRMAN. Thank you very much for your statement.

Mr. SMITH. Thank you, Mr. Chairman.

The CHAIRMAN. There are no other witnesses to be heard this morning. The committee will adjourn until 10 o'clock tomorrow.

(At 10:30 a. m. the committee adjourned to meet the following day at 10 a. m.)

AGRICULTURAL RESEARCH

TUESDAY, JUNE 18, 1946

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. John W. Flannagan (chairman) presiding.

The CHAIRMAN. The committee will please come to order.

Senator Butler phoned me yesterday afternoon and stated that he desired to appear before the committee this morning at 10 o'clock, and, of course, I granted his request.

Senator Butler is here and we will be glad to hear him at this time.

STATEMENT OF HON. HUGH BUTLER, A UNITED STATES SENATOR FROM THE STATE OF NEBRASKA

Senator BUTLER. Mr. Chairman, I appreciate the courtesy you have extended me very much. I will not testify myself but I do want to introduce Mr. Cecil Johnson; I think he is known to a great many of you. He has been associated a number of years with the Committee on Agriculture in the Senate, especially, with Chairman Thomas and others, in handling S. 1908. The content of that bill being so very similar to the bill you have under consideration here I thought it might be wise to have his testimony in your record.

We are going to be very brief, Mr. Chairman, because I know that you and the members of the committee will give the testimony earnest consideration at a later date when you are voting on and reporting out the bill.

The CHAIRMAN. Thank you very much, Senator.

Senator BUTLER. Thank you.

STATEMENT OF CECIL JOHNSON, HINSDALE, ILL.

Mr. CECIL JOHNSON. Mr. Chairman, my name is Cecil Johnson. I have served a number of years in the Department of Agriculture, have done research work, and I am a lawyer and farmer and have had the responsibility of directing a small processing plant utilizing farm commodities.

Also, I am representing here today the Farm Crop Processing Corporation, of Omaha, Nebr., the largest operated Government plant and manufacturer of industrial alcohol; and I am also privileged to represent the second largest operated Government-owned alcohol plant at Muscatine, Iowa.

I want to commend the committee, and especially the author, on the approach that has been made toward the industrial use of farm commodities as outlined in H. R. 6548. It is evident that the framer of this bill thought that the use of farm commodities was of greater importance now in research work than the production phase of agriculture commodities. This is evident in 10-a, as compared with 10-b, showing that twice the amount of money ought to be made available for research on use as research in all fields of agriculture.

I also appreciate and commend the author for the new declaration of policy, because as I look back over the history of agriculture this is the first time that Congress has taken the opportunity to declare the policy, one of production, and two, of use, and I emphasize that new uses must follow production if we are going to have a sound and stable agricultural economy and if we are going to be able to avoid the pitfalls that most of us have had to go through in the years past.

Production research has gone forward since 1875, and tremendous strides have been made. I think you can look with great respect to the work that has gone on before but in so doing we have lagged on the use phase.

With respect to production, the experiment stations of the country have had an ideal opportunity to apply their discoveries and developments to farming; they have had the facilities to put into practice the things worked out in the laboratory. But when it comes to use research we have had an entirely different problem, because use research must generally tie itself into some factory, some application that involves processing. And it is with that regard that I think the possibilities in H. R. 6548 might be bettered.

I think it would be well to have in this bill an indication that the research is to be applied. I do not believe that as it now stands—maybe I am in error in that—but as I read this I do not believe it would permit actually going out and cooperating with a private organization or a cooperative to apply the benefits of research that come out of the research laboratory. And, I say that the application of research is equally important as laboratory research. Indeed, there might not be a justification for carrying on research if we are not going to apply it. My own association with research people shows clearly that unless the individual knows that the effort that he is going through to make a discovery is to be used he is not going to be as enthusiastic in trying to find out some of the things that we need to know in trying to make use of agricultural commodities.

The CHAIRMAN. Mr. Johnson, do you not think that research can be carried back to the farmer through the Extension Service?

Mr. CECIL JOHNSON. That would be true, I think, Mr. Chairman, so far as the production phase is concerned. The Extension Service is in an ideal position to carry that back to the farmer. But when it comes to the use of surpluses and the other products, they have to be taken out into an industrial plant or taken care of through processing facilities and marketing organizations. And as I stated a while ago the Extension Service does, in certain instances, tie into that but it does not tie into it adequately to do the job that is essential to utilize effectively all of the agricultural products.

The CHAIRMAN. What would you suggest along that line?

Mr. CECIL JOHNSON. First, I would indicate the authority in the Secretary of Agriculture that he have the opportunity to cooperate

with plants processing agricultural commodities to tie in use research into the manufacture and processing operations.

I would further authorize him to conduct research in cooperation—and that is indicated possibly in this bill, although it is not as clear as I think it should be—tie in the use-research activities with private and cooperative facilities wherein use is emphasized. In other words, it is a matter of the application of the production of research, and I think it is research application.

Now in addition to that I would suggest the possibility of using these Government-owned plants, and I here, today, represent two of them, and there ought to be an indication that research should be carried on in those plants so long as they are under Government custody, and I believe that there are many other Government facilities that may well be tied in and may be made available to the Secretary of Agriculture to carry out some of these research opportunities.

Mr. PACE. I have one or two questions, Mr. Chairman. Of course, I agree with you that research has served no purpose until it is practically applied. But wherein would you draw the line of distinction between Government in business and having the production-research program carried forward by private industry? Where is your line there? The fact that you are particularly concerned about now is setting up the use of the Government-owned plants as processing plants, but how far would your idea go in that direction?

Mr. CECIL JOHNSON. Congressman Pace, it is going to be essential, if we are going to utilize all of the products that will be produced in the future, that we devote a good deal of energy and time to the utilization of these major plants, because the small farm-processing plants are not equipped to do research.

Mr. PACE. No.

Mr. CECIL JOHNSON. Just as the farms, the small farm, is not equipped to carry on research. Farming itself is an individual enterprise, generally speaking. I do not believe that research should be carried on for the benefit of large industries, that is, let industry be permitted to do it for itself alone. But certainly I believe that when the agricultural welfare of the country depends upon Government research it might well be done in some of the small processing plants, and that is being done in agriculture to some degree. We have cooperated with agriculture to some degree, but I think certainly that the Congress, on behalf of the general public, is within proper bounds to carry on a use-research program in cooperation with private industry, even in the pilot plant and demonstration stage.

Mr. PACE. Do you propose to go beyond the pilot-plant stage?

Mr. CECIL JOHNSON. I rather think we would have to do so; we ought to go as far as the demonstration stage, because what constitutes a pilot plant operation in one instance might not be sufficient in some other instance. There might be a very few of those occasions but I would rather put it on the basis of demonstration. In other words, after you find out that the research job is done it is my opinion that somehow you are going to have to demonstrate the possibility of making use of that research.

Mr. PACE. Under the terms of this bill, which permits the Secretary to make contracts with private parties in conducting research, Mr. Chairman, I assume the legislation is broad enough that it would

not only permit carrying on experimentation but would authorize carrying the program, to try to make use of the experiment in a practical manner. Is that contemplated in the bill?

Mr. PHILLIPS. The bill, I think, contains that power.

Mr. PACE. Not only to make the experiment and produce the scientific elements but even to go further and try to find a use for it, where provision is made that the Secretary can contract with individuals. It is your opinion that that authority is contained in the bill?

The CHAIRMAN. I believe it is.

Mr. PHILLIPS. I think it would have to be.

The CHAIRMAN. He ought to have that in order to complete the job.

Mr. PACE. Yes, if the job is to be completed.

Mr. CECIL JOHNSON. Yes.

Mr. PACE. Mr. Johnson, if the language of the bill is adequate or could be made adequate for that purpose, what would be your idea of giving to the Secretary the authority of using the research and the scientific developments after they have been accomplished to make a contract with some establishment or business to put it into production? Would you like that better than having the Government carry on a plant or go into production?

Mr. CECIL JOHNSON. Yes, I would, Mr. Pace. I would hesitate to suggest that the Government go into business.

The CHAIRMAN. Let me make this suggestion: The language of the bill may need to be cleared up. We are getting into a pretty dangerous field and will have to be very careful of how far we will permit the Secretary to go, in my opinion, and I think the committee in going over the provisions of the bill should give careful consideration to the point you have just developed so that there will be no question as to what the bill authorizes.

Mr. CECIL JOHNSON. That is my desire, Mr. Chairman. I felt I should bring that point to the attention of the committee because of the broad experience we have had in operating with the Government on some research projects.

Mr. PACE. How far would you want to go?

Mr. CECIL JOHNSON. I would certainly want to see the products of the laboratory fully demonstrated to industry to the point that industry would adopt the research findings and put into actual production the use-research findings.

Mr. PACE. I could see no objection to that; that is necessary to complete the job.

Mr. CECIL JOHNSON. It is corollary to the Extension Service going out to the farmer and showing him the results of research on production and showing the farmer how to do the job, just as I would favor showing industry how to do the job.

Mr. HOPE. It is your opinion that research will not accomplish much unless something is done to put the developments into production, actual use?

Mr. CECIL JOHNSON. That is right. There should be full opportunity provided and publicity given to the developments and findings in the research program, which should be carried through to the demonstration stage.

Mr. PHILLIPS. Mr. Johnson, I did not hear the first part of your testimony. Did I understand you to say that the suggestion you have made is not covered by the language contained in section I of the bill?

Mr. CECIL JOHNSON. I do not believe that would be adequate.

Mr. PHILLIPS. That is your point?

Mr. CECIL JOHNSON. Yes.

Mr. PHILLIPS. Very well.

Mr. CECIL JOHNSON. There is one other point that I would like to suggest, Mr. Chairman, because we have had the opportunity at times to acquire Government equipment and facilities and at times we have had to stretch our imagination and to build tremendous plants used for the Government, using 10 percent new material and 90 percent old material and brought into production the largest producer of industrial alcohol plant for the manufacture of wartime materials, and I would like to suggest, because I know that there are many plants where Government equipment and Government facilities and buildings are available, that there be some authorization put in the bill which would enable the Secretary of Agriculture on behalf of those he might contract with in the research program to take advantage of these facilities and these items.

I am sure that the research program will go forward with a great deal more expedition; I am sure that the results will, in many instances, be much more productive, and personally I know that it can be done very simply, and I have inquired of a number of individuals in the executive branch of the Government, the Bureau of the Budget and at other places, and they think that the suggestion is worthy of your consideration. I wanted to merely state that and to reemphasize the things that I heard Mr. Pace say that the future of agriculture is in the research laboratory, and I want to augment that by stating that the future of agriculture is in the research laboratory plus the application of research.

And further, Mr. Chairman, we know that today we could solve the grain problem, the starch surplus problem of the Nation simply by looking into the synthetic rubber situation, the industrial alcohol situation and that it would cost the Government a great deal less money than was expended during the period that I was with the Government when we were trying to balance production with demand. I think a verification of that statement can be found now in a statement by the Under Secretary of Agriculture to the Senate Agriculture Committee and I would commend it for your consideration because it merely emphasizes what I heard Congressman Pace and others of you say in days past.

The CHAIRMAN. Are there any further questions?

Mr. ANTON JOHNSON. I want to ask you, Mr. Johnson, this question: When we set up the synthetic rubber plants what proportion of grain alcohol rubber was made as against the over-all synthetic rubber production, that is from synthetic alcohol made out of agricultural products.

Mr. CECIL JOHNSON. Yes.

Mr. ANTON JOHNSON. What proportion of the total supply of rubber was made from alcohol derived from agricultural products?

Mr. CECIL JOHNSON. Approximately 70 percent, Congressman Johnson, of the synthetic rubber that helped to win the war for us at least came from the farm commodities that you and I know so well.

The CHAIRMAN. If there are no further questions I want to thank you, Mr. Johnson, for your appearance. I think you have made a real contribution in your statement.

Mr. CECIL JOHNSON. Thank you.

The CHAIRMAN. The committee also wishes to thank you, Senator Butler, for coming over.

Senator BUTLER. Thank you, Mr. Chairman.

STATEMENT OF ALBERT S. GOSS, MASTER, THE NATIONAL GRANGE

The CHAIRMAN. We have as our next witness Mr. Albert Goss, master of the National Grange. We will be glad to hear from you at this time, Mr. Goss. For the record, please give your full name and the capacity in which you appear.

Mr. Goss. Mr. Chairman and gentlemen of the committee: My name is Albert S. Goss, master, the National Grange. I have prepared a written statement to be distributed to members of the committee.

The CHAIRMAN. You may proceed in your own way.

Mr. Goss. Thank you.

The National Grange is a strong believer in the value of well-conducted research. Private industry has found it profitable to expend large sums in this field. Such research has been an important factor in our vast industrial expansion, benefiting not only the owners of the industry, but all connected with it and the general public as well.

With 6,000,000 owners and operators of farms, comprehensive private research in the field of agriculture is impossible. Relatively small sums spent through Government and State experiment stations have paid untold dividends, but this research has been mostly in the field of production. There is a vast amount of research needed in the field of marketing, distribution, utilization, nutrition, and every phase of the handling of farm crops from producer to consumer.

The National Grange was therefore glad to see the introduction of H. R. 5925, by Mr. Hope, which provided for research in the marketing field. We were equally glad to see the introduction of H. R. 6548, by Mr. Flannagan, which provided for research in a wider field. Later H. R. 6692 was presented by Mr. Hope in substitution for his first bill. We feel that both the Flannagan and Hope bills have much merit, but we have also felt that there was some overlapping, and we believe that the best purposes of both could be served by combining them in one bill. It was our understanding that they would be considered together. Although we have been informed that the present hearing relates particularly to the Flannagan bill, we find it difficult to discuss this bill singly; and we, therefore, ask the indulgence of your committee to discuss the whole field covered by both bills and refer to both measures.

To begin with we do not feel competent to advise the committee on the amount of money which should be made available for the purposes of these bills. We feel that the amount should be ample to do a workmanlike job; that it should be made available only as fast as it is possible to develop an organization for carrying on the research

in a workmanlike manner; that full use should be made of existing Government facilities; and that there should be no duplication of effort. The amounts to be expended each year should be determined after a close analysis by authorities in this field.

We would like to see the essential features of the Flannagan bill incorporated as title I and the essential features of the Hope bill incorporated as title II of a combined bill. For convenience we refer to them as title I and title II. Thus, marketing research, which has its distinct problems, would be placed under a bureau charged with a special responsibility. As it is, marketing has been kicked around for 15 years and, with every reorganization of the Department, has had to make a fresh start. If this is done, we have the following suggestions to make with reference to each measure.

We believe section 1 of title I should be carefully reviewed to separate the marketing research from the other types of research and that these sections which cover marketing should be written in the purposes of title II. For example, we suggest that the words beginning line 19, page 2, "research directed toward improvement of the operation of the marketing system to eliminate waste and inefficiency and thereby to reduce the relative cost to the consumer," could be thus eliminated or transferred. There may be other similar changes desirable if the two bills are to be combined.

It has been our experience that in general appropriations for research, it has been the thought of Congress that marketing would receive a substantial portion of the funds appropriated, but that in practice marketing has been neglected in many, if not most, States. In order to assure the use of a substantial portion of these funds in marketing, we believe that section 9 (b) of title I should specifically provide that not less than 20 or 25 percent of the funds so appropriated should be expended in marketing research so that all the experiment stations would undertake research in the vital field of marketing.

Section 10 provides that the Secretary may enter into contract with public or private organizations to carry on research. We believe that the section should contain a clause requiring the Secretary to use existing Government facilities to the extent they are available before entering into contracts with private agencies. Title II contains a protective clause along this line appearing on page 9, line 5 to 25. The protective clause as worded, sets up a standard permitting private research only if the costs are no more and its value would be as great as the Government research. Although we can see danger in subsidizing private research, we do not think that it should be entirely eliminated, because private industry through its daily operation may have facilities which the Government could not well duplicate. We think, however, that it would be better to expend Government money in governmental research establishments unless there is substantial reason for subsidizing private research. We, therefore, would suggest adding the word "substantially" after the word "by" in line 25, page 9, of title II and inserting this clause in title I. We also believe an additional clause should be included providing that existing facilities of State and Government should be first used wherever reasonably practicable.

We believe that somewhere in the bill there should be a definite clause designed to eliminate duplication and that it should apply to both title I and title II.

We have not been able to figure out just the purpose of subsection D of section 10 on page 12 of title I.

Title I and title II combined will provide for the expenditure of many millions of dollars, the allocation being largely in the hands of the Secretary of Agriculture or one of his appointees. The distribution of possibly \$30,000,000 of this sum would not be controlled by any formula contained in the bill. There is always serious danger of such vast sums being used for political purposes unless amply safeguarded by a formula of distribution or by some other means. We do not believe it possible for the Congress to develop a formula of distribution for the allocation of the sums provided in section 10 of title I or title II, because conditions will vary so greatly in different areas, and at different times, and because special projects may require special funds which will be freed when the project is completed. We, therefore, think the best safeguard would be to create a strong advisory committee, and we even invite your consideration to the possibility of giving such a committee the power of veto over any allocation of funds, although we scarcely think the veto safeguard is necessary if the committee is so set up that it will function adequately.

Title I as now drawn provides for an advisory committee composed of eight men selected by the extension service of the various States, and eight men selected by the four major farm organizations. Title II provides for an advisory committee composed of 3 representatives from each of the major producing groups; 1 to represent producers; 1 to represent distributors; and 1 to represent processors; and that there be added to those 21, 2 members to represent retail organizations; 1 to represent the State departments of agriculture; 1 to represent the National Association of Marketing Officials; 1 to represent State agricultural experiment stations; and 1 each to represent the 4 general national farm organizations, all to be selected by the groups each is to represent. It would seem to us that one advisory committee would be sufficient. We believe the eight persons selected by the State agricultural experiment stations as provided in section 9 (b) (3) of title I should constitute a committee as provided, for recommending the use of funds as provided in this section. We do not believe, however, that the advisory committee as set up under section 11 would be sufficiently representative of the various commodities and their problems of production, processing, and marketing. We would, therefore, prefer an advisory committee as provided in title II covering the following groups:

Fruits, vegetables, and nuts	Grain
Livestock and wool	Cotton
Poultry and poultry products	Tobacco
Dairy products	Forest products

After adding the other organizations listed, this would mean an advisory committee of 33.

This seems to us to be too large a committee to bring together frequently, and that the result would be that the advisory committee would have little influence. We believe this could be cured if it were provided that the advisory committee would meet annually, or on call of

the Secretary, and would select an advisory executive committee of not less than five, nor more than seven members which would meet on call of the Secretary, but not less frequently than one each quarter. The measure should provide for paying the necessary traveling and subsistence expenses of the advisory committee, and we would also recommend that expenses and a per diem be paid to the advisory executive committee so that the Secretary would feel free to call upon them as frequently as they might be needed, and that the advisory committee would actually be used as intended. Incidentally, the question of legality has been raised in the case of those members of the advisory committee who are selected by nongovernmental groups. The purpose, of course, is to make sure that these groups are represented by individuals who can speak with authority for the organization. This is a worthy purpose because too frequently so-called representatives have been selected who cannot speak with authority or who, in some instances, do not represent the organization at all. If your committee feels that leaving the selection to the organizations is not practicable, we suggest that the words "to be selected by each of the groups which each is to represent," be changed to read "to be approved by each such organization."

If, on the other hand, your committee desires to maintain the type of advisory committee as provided in section 11 of title I, we believe that the same recommendations made in our last paragraph as to the approval of the representatives of the farm organizations should be applied to this section. We also believe that regular dates of meeting should be provided and that the expenses should be cared for.

In the case of either advisory committee, we recommend that the act forbid the use of "alternates." Where alternates are permitted, there is a common practice for a committee member who may find himself inconvenienced as to time, to send anyone in his organization who happens to be handy. The result is that the make-up of the committee is continually shifting, there is no continuity of policy, and the members themselves take the work of the advisory committee too lightly to make it effective. If each of the organizations knew that their selected committeeman had to attend in person or their organization would not be represented, there would be a great deal more interest in attending the meetings and making the committee function. We should have a strong advisory committee and executive committee or none at all.

Turning to title II we suggest that section 2 be carefully scanned for the purpose of transferring to section 1, title I, any functions which should come under title I.

We have already suggested strengthening the safeguards for entering into contracts with private firms in regard to research, and there is no reason to repeat the recommendations for the addition to this part of section 5 (c) except to say that our recommendations should be included at this point. We also believe that title II should contain a clause to prevent duplication.

Section 6 (a) provides for financing the Agricultural Marketing Administration by transferring 10 percent of section 32 funds. We do not like this method of financing, largely because of the instability of income. Section 32 money is already set aside for dealing with agricultural surpluses, but it seems to us that there should be a definite sum which could be allocated from it and relied on to carry

forward research as undertaken. Many undertakings may involve research covering a period of several years, and research once undertaken should be carried through to its conclusion without any regard to the size of the income from tariffs. Much of the research might be rendered almost worthless if it became necessary to postpone work for an unknown period of years because of lack of funds. It would be difficult indeed to secure competent men to undertake research if there were doubt as to where the money was coming from each year, or the amount that would be available. We can see no advantage in tying research to such limited funds, and we recommend that \$10,000,000 definitely be set aside for this purpose from section 32 funds. Consideration should be given to smaller amounts during the first few years in getting organized.

In conclusion we strongly recommend combining these two bills in one bill under separate titles so the field will be adequately covered without duplication. We recommend a careful review of the amounts authorized to be appropriated based on the considerations set forth in paragraph 4 of this testimony. When the committee has satisfied itself as to the proper amounts to appropriate so that research can be carried forward in the most effective manner, we recommend the passage of the combined measure with the modifications we have suggested.

The CHAIRMAN. Mr. Goss, I am very glad that you think these two bills should be combined in title I and title II. I think to do the job we need both bills.

Mr. Goss. Thank you.

The CHAIRMAN. As to the advisory committee: Do you not think that one committee would be sufficient to advise with the Secretary on both phases of the proposed legislation?

Mr. Goss. Yes; I do, Mr. Chairman. We have suggested that the Committee of Eight, as contained in the Flannagan bill, of representatives of the Extension Service, be continued as a committee of eight—rather representatives of experiment stations, I should have said—be continued as a committee of eight to advise as to the work at the experiment stations, but as to the over-all committee we think that one committee is ample.

The CHAIRMAN. I think you are right on that. You suggest an advisory committee of, I think you said, some thirty-odd members and that broken down into an executive committee.

Mr. Goss. That is correct.

The CHAIRMAN. Suppose the executive committee found itself not in full accord, do you not think it would be well to submit the things about which it is in disagreement to the full committee before the recommendation is made to the Secretary?

Mr. Goss. Yes, certainly; I think that should be the main use of the advisory committee. As I have pointed out here, there are over \$30,000,000 in funds which can be used in any manner the Secretary or his appointee indicates, and it seems to us that the greatest safeguards should be provided to see that the funds are used properly, and I take it that was your purpose in providing the language covering the advisory committee.

The CHAIRMAN. What I was about to say is this: If you had this executive committee and the executive committee found itself in

some disagreement as to what recommendation should be made, the executive committee should go back to the full committee for counsel and advice.

Mr. Goss. That is correct, although I think if the advisory committee could come together it would be helpful.

The CHAIRMAN. Just to go further: When the executive committee found itself in disagreement, before they make a recommendation to the Secretary, the matter should go back to the full committee.

Mr. Goss. Yes.

The CHAIRMAN. And in that manner it would have the judgment of the full committee before submitting any recommendation to the secretary.

Mr. Goss. I think that recommendation is sound.

The CHAIRMAN. Are there any questions?

Mr. POAGE. It is your suggestion, Mr. Goss, that section 32 funds be used in the event of research programs being established for this purpose. I have always been afraid for us to take section 32 funds away from the purpose for which they were made available, that is, to maintain prices, and it seems to me that we might very well look into that. Obviously the purpose of those funds is to maintain our price structure, but if we weaken the support for our price structure by letting the funds be used for developing research and for doing other things, if we opened that door here other doors will be opened and before long we will find that section 32 funds are being used that ought to be available to help maintain our price structure.

The CHAIRMAN. Mr. Poage, right in that connection, section 32 funds primarily were set up to take care of surpluses.

Mr. POAGE. That is right; they were set up for the purpose of offsetting the effect of the tariff; the tariff had imposed a burden on the American farmers that have to export.

The CHAIRMAN. Here is what I am driving at: That being true, in my opinion, one of the best ways to handle the surplus problems is to improve the market set-up, which this bill seeks, if both bills are combined, to do. I really think that the plan to use section 32 funds is in agreement with the original purpose, especially that part pertaining to marketing is right in line with the intent of the Congress.

Mr. POAGE. Mr. Chairman, it seems to me that in the case of cotton alone, on the part of those of us who represent export crops, such as tobacco and cotton, that when we have export crops we know that the tariff destroys our markets, of course, and the higher the tariff goes the less foreign markets we have. Of course that has been the situation throughout our American policy, the sections of the country that did not have exports of course wanted the tariff raised to protect them; they were not selling abroad, and the sections that were selling abroad obviously did not want the tariff to prevent them from selling abroad.

Now section 32, as I understand the philosophy of it, is very much the Alexander Hamilton proposition; when we could not adopt the Jeffersonian policy, since this country was young in its industrial development, and since we could not adopt the Jeffersonian policy in trade with the rest of the world, we attempted to adopt the Alexander Hamilton policy of a protective tariff, but that when we must

impose a tariff we were under an equal obligation to pay to the producer of the exported commodity what we might call a subsidy.

The CHAIRMAN. Assuming that to be true the purpose of developing a marketing program would be to assist in disposing of surpluses.

Mr. POAGE. For an orderly marketing system, that is fine, and I am for that, and do not misunderstand me as being opposed to a marketing program, but I do not agree as to the export crops. What are you going to do with them if you take this money away from the export crops and are going to use it for the marketing of domestic commodities, tobacco, for example? You are going to leave the export crops right here where they were before we had the section 32 funds. If we are going to spend all of the money on development and research from section 32 we are not going to have the funds to develop foreign markets, and we cannot sell these surplus commodities unless they are sold to the American people. If we are going to spend this money in developing new uses as provided in this bill we are not going to develop export markets for tobacco and cotton, the two crops that have got to have an export market. Where is your tobacco crop going to be? It will be in the same precarious struggle it went through 10 or 12 years ago, and so will cotton.

The CHAIRMAN. Mr. Poage, while the tobacco growers have not been given any 32 funds that I know of, I would see some of those funds used in the development of export markets for tobacco.

Mr. Goss. I think you are correct.

The CHAIRMAN. First of all, I am afraid, we are going to lose a lot of our foreign markets for tobacco.

Mr. POAGE. I think if you destroy the section 32 funds I think you are going to inevitably leave the cotton producer and the tobacco grower, after this emergency we are passing through, where the growers will be right back where they were and we will not have the section 32 funds to maintain the support. What I am trying to say is I hope we will not enter into a policy whereby we will destroy the section 32 funds simply by trying to use them in another program. And, I am for research as much as anybody else but let us get the funds for research just as we have secured funds for other purposes. This program is for the benefit of the public and the research ought to be to stand on its own basis.

Mr. ANDRESEN. Will the gentlemen yield?

Mr. POAGE. In just a moment. I think this is a research question and we can justify a charge to the public as a whole and not say that we are going to make use of funds that have already been dedicated to a specific purpose. We should not pay for it out of section 32 funds; the research is for the benefit of the public as a whole, and I think it can be justified on that basis and we can pay for it just as we pay for any other service.

Mr. ANDRESEN. I would like to point out that if we get into this new economy, trade economy, that we are not going to have very much section 32 funds.

Mr. POAGE. If we are to sell our products abroad——

Mr. Goss (interposing). To answer your question directly, Mr. Poage——

Mr. POAGE. Yes.

Mr. Goss. Our first concern is to see that research is amply financed no matter where the funds come from. We have not looked upon that as taking funds from section 32 for a diversion activity, but more nearly as a method of working out a program to get rid of the surpluses and in doing so a part of the funds should be used in this manner as having our approval.

Mr. POAGE. Mr. Goss, you certainly do not mean to suggest that you would take \$10,000,000 a year and devote it to research for foreign markets, do you?

Mr. Goss. Well, a part of it would be for foreign markets.

Mr. POAGE. A part of it.

Mr. Goss. And a part of it would be for domestic markets, but anything which is going to help solve the marketing problem of the Nation, of course, is going to affect cotton and tobacco and wheat advantageously.

As I say, we are not set on section 32 funds. The point I wanted to make was particularly this, that using a percentage of section 32 funds, in our opinion, is bad, because the program ought to have steady income.

Mr. POAGE. Yes; I was not directing my discussion to that point.

Mr. Goss. I understand. We do not care where the money comes from.

Mr. POAGE. Let us forget the matter of the specific amount. I was directing my objection to the original proposal, because I do not think we should take a fund that has been promised for a certain purpose and use it for something else. If we can do that here, we can do it somewhere else and use this as a justification for doing so. Here is a fund that was set up in the nature of a trust fund, and there is no justification for diverting it to other purposes, and the minute we say we can do it for research the next year the Congress can come in and take some of that research fund, a certain amount, and say we can use it for something else, for some other work that will take the place of this research work because it is going to solve some of the problems facing agriculture and therefore we will just take the funds out for that purpose.

If we can use it for one thing, we can use it for another. Now if we want to set up a program for research, do not let us destroy this fund, make use of section 32 funds.

Mr. HOPE. Will the gentleman yield?

Mr. POAGE. Yes.

Mr. HOPE. I am not saying that the money should come from section 32 funds, but I do think it is a proper and legitimate use of section 32 funds, that it is in line with the original purpose of using the funds for the expansion of markets. It does not all have to be used in expanding foreign markets, but to the extent it expands the domestic market it takes some of the pressure off of the export crops; the problem that the export crops and domestic crops are faced with. In other words, as I understand, the purpose for which this money might be expended would be in carrying out the purposes for which section 32 money could be used, and it seems to me that use of this fund is in line with the original purpose for which the fund was set up, and if the money is used to find other uses of cotton or tobacco or wheat—of course, those benefits might be rather remote, but they would fall within the purpose for which the fund was set up.

Mr. POAGE. Mr. Chairman, this is one of the most important phases of agriculture, the use of section 32 funds.

The CHAIRMAN. I think the committee understands the question, Mr. Poage, and I feel we should pass on to other matters——

Mr. POAGE. Just what other matters are coming up that are of more importance than solving the problem facing the American farmer?

The CHAIRMAN. Well, I am trying to see if we cannot get an act passed that will, at least, solve some of the problems.

Mr. POAGE. Just what are you trying to accomplish, Mr. Chairman? Are you trying to inform the committee of things that are important; are you trying to get a record which someone may read somewhere? What are you trying to accomplish?

The CHAIRMAN. If you will pardon me I will try to tell you what I am trying to accomplish. I am trying to bring about the enactment of the necessary research and marketing legislation. Now you have brought into it the question of whether or not section 32 funds should be used in connection with marketing——

Mr. POAGE. I did not bring it into it; it is in the bill.

The CHAIRMAN. Well it is in the bill. We have heard your views fully.

Mr. POAGE. No, Mr. Chairman, that is an unfair statement; I want to tell you further what my views are.

The CHAIRMAN. I will not object to that.

Mr. POAGE. I have not stated my views fully, because about the time I am ready to develop my views you pound the gavel as you are now; that destroys the effect of what I am saying. When you disagree with anybody you do what you are doing now, which nullifies the effect of what I want to state.

The CHAIRMAN. All right, you have an opportunity to express your views fully.

Mr. POAGE. I think I have said enough already.

The CHAIRMAN. I think so.

Mr. COOLEY. I would like to ask Mr. Goss if there is anything in the record showing how much is being spent now in the field of agricultural research?

Mr. GOSS. I do not have those figures.

Mr. COOLEY. Has that been put in the record?

The CHAIRMAN. I do not think the exact figures have been put in the record. I have asked that the information be compiled and inserted in the record.

Mr. COOLEY. I think it would be helpful if we have the figures in the record.

The CHAIRMAN. I think it would be well to have that information too. It will be placed in the record.

Mr. ANDRESEN. May I have one additional word?

The CHAIRMAN. Yes, Mr. Andresen.

Mr. ANDRESEN. Mr. Goss, during the years I have been on this committee, and that has been a good many years, I have always strongly favored research in agriculture, and some years ago I introduced a bill which is now known as H. R. 295, which provides for legislation that would enable the Secretary of Agriculture to encourage the discovery, introduction, and breeding of plants and agricultural crops, both foreign and native, which may be used in place of agricultural

crops in this country, like cotton and wheat and other surplus crops that we have.

We had one hearing some years ago before the committee and nothing further was done about the legislation although there was a great deal of interest shown among the farmers of the country in the proposition that we should start a research program, experimental program, in the production of crops that are now produced in other countries that could be used here in the manufacture of medicines or for chemical uses in the United States.

This bill came up rather hurriedly. It was introduced on March 4, that is, Mr. Flannagan's bill. I have read through Mr. Flannagan's bill and also Mr. Hope's bill, the bill sponsored by my colleague Mr. Hope, and it seems to me that as long as we are starting in on a research program that we could well include an additional objective, that is the experiment in the production of new crops here in the United States to replace some of the surplus crops now grown.

Of course, during the war we found out there were a good many other crops produced in other countries from which we were cut off.

The CHAIRMAN. Mr. Andresen, is it your thought that the language of the bill as it is now written is not broad enough to cover that work now?

Mr. ANDRESEN. Not the way the bill is drawn; no.

We found out during the period of the war when we were cut off from other countries they had been supplying crops and materials that we had not been producing in the United State. I am just wondering if you do not feel it would be a good idea to insert a provision with reference to research and experiment for the production of new crops in this new general over-all research bill?

Mr. Goss. We have always been for your bill, Mr. Andresen.

Mr. ANDRESEN. I know you have been.

Mr. Goss. Offhand I would say it would be well, if the language of the bill is not broad enough as now written, to include such a proposition.

I think we want to lay stress on the fact that marketing and new uses and research have been neglected in the past. That phase of scientific development, new crops as well as new plants, has always been neglected. But that is production research and what I am trying to say we do not leave the impression that we think that most of this money can or should be used for production research. We think that marketing research and utilization research and the other phases of research need to be emphasized at this time, and if you can put in research for new crops that would mean a crop needed for research we certainly would like to see such an idea incorporated in the bill.

Mr. ANDRESEN. As an illustration of what has been done we have taken the soybean and developed the soybean; and that was done through experimentation.

Mr. Goss. Yes.

Mr. ANDRESEN. Another is the castor bean.

Mr. COOLEY. You do not think that activity should be financed with section 32 funds, do you?

Mr. ANDRESEN. No. But I would like for us to be in position, and I think the time is coming when we will have to raise some things to replace the crops that we are now producing in this country, and

we ought to have as broad a market as possible. Let us take wheat as an example: At the present time the British Ministry is in Canada to make an agreement for the purchase of some 200 to 300 million bushels of Canadian wheat, covering a period of from 6 to 7 years, where the British are going to make a contract with France and Belgium to supply them with wheat, which means that market for wheat in Europe is going to be taken away from us and monopolized by Britain with Canadian wheat.

Mr. RIZLEY. That plan is prohibited under the British loan agreement, is it not?

Mr. ANDRESEN. Unfortunately the thing that they are doing is buying Canadian wheat through the Export-Import Bank, and the prohibition is in the British loan that is now in the process of consideration by the Congress.

But the fact of the matter is that we must have a world market for wheat, and I think the time is coming when we are going to feel very keenly the loss, and the markets will not be there, provided this agreement is made by the British and Canada. And in the face of that situation we will have performed a real service for American agriculture through the introduction of new crops that might be profitably grown in this country.

Mr. Goss. You feel that is not adequately covered in the proposal set out in the chairman's bill?

Mr. ANDRESEN. No; I do not think as the language is written it is, and it is my purpose to offer an amendment, in conference with Mr. Flannagan, together with Mr. Hope, to get the bill broad enough to cover it.

The CHAIRMAN. Mr. Andresen, I thought the bill as drafted was broad enough to do that.

Mr. ANDRESEN. I do not think so. I have read it through rather carefully.

The CHAIRMAN. Section 1, line 10, reads:

For the attainment of these objectives, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the laws and principles underlying the basic problems of agriculture in its broadest aspects, included but not limited—

and so forth.

Probably that language should be cleared up.

Mr. ANDRESEN. If it is your purpose to cover what I have in my bill, Mr. Chairman, in this research for new crops in the proposed legislation, then I would like to confer with you and Mr. Hope on such amendment as may be necessary to cover this proposal.

Mr. PACE. Will the gentleman yield?

Mr. ANDRESEN. Yes.

The CHAIRMAN. I think that can be worked out.

Mr. PACE. I wanted to say to Mr. Goss that that would be attractive to the cotton-producing areas, because the time may not be far distant when we will have to shift a considerable amount of our cotton acreage, the low crop producing areas, and if that becomes necessary it is going to be a desirable situation to have some new types of crops to plant on the lands that are abandoned, and I am happy to know the gentleman has developed that point.

The CHAIRMAN. You are in agreement with that idea, Mr. Goss?

Mr. Goss. We are entirely sympathetic to that proposal.

The CHAIRMAN. If there is any question as to whether the provision of the bill is broad enough I think the language should be cleared up, and I thank the gentleman for bringing it up.

Mr. VOORHIS. I certainly agree, Mr. Chairman. I think the questions of Mr. Andresen and Mr. Pace are very important. It occurs to me on page 3 of this bill the authorization might be expanded to cover that purpose. Beginning in line 10, on page 10:

Research relating to new and more profitable uses for our resources of agricultural manpower, soils, plants, animals, and equipment than those to which they are now, or may hereafter be, devoted.

If you would include research along the line you have indicated I think it would clear it up.

Mr. ANDRESEN. What I would like to do is this: I have carefully scrutinized the different sections of the bill, and I would like to have an additional title in the bill that will lay specific stress on this type of research, because I think it is of extreme importance for all American agriculture, to provide that plant life for the farms of this country, whether it be of flowers, grains, quinine, rubber, or what not, be brought under the provisions of the bill so we could go ahead and try out these new crops.

Mr. VOORHIS. I agree with you.

The CHAIRMAN. Is there anything further?

Mr. VOORHIS. I have one or two questions.

I want to ask you, Mr. Goss, if you do not believe the general scope of research applies in the intimate relationship between the people conducting the research and the farmers who are actually out in the production of those crops which are under research and study?

Mr. Goss. Yes, I think the whole question is very closely tied to agriculture, if we are to get out from under the productivity problem we have to face in agriculture.

Mr. VOORHIS. That is the point I wanted to stress; I think it is a very important question, and I could point to some examples of that very thing happening right now. I just think the record ought to be plain, if we pass this bill, that it is with the expectation that the research work will be carried on in just as close relationship to the productivity problem, the farming phase, with emphasis being placed on the effort to bring the benefits of research close to the producer as possible.

Mr. Goss. Mr. Voorhis, that is the reason we have recommended an enlarged advisory committee, for taking in the various crops, and we have asked for certain safeguards for the advisory committee in its work.

Mr. VOORHIS. Yes.

Mr. Goss. Among those safeguards we mentioned is that their expenses should be paid; and that there be an advisory executive committee that could meet frequently and keep in touch with the problems. I think the point you raise could best be covered by an active advisory committee.

Mr. COOLEY. Mr. Goss, how have you been impressed by the suggestion of Mr. Cecil Johnson with regard to applying research and development to processing?

Mr. Goss. I was called out of the room to answer a telephone call while he was making his statement, and I did not hear it. But it seems

to me that if the bill does not adequately cover it there should be a provision which will permit the carrying on of additional work such as development from research by those in best position to use the results of research.

Mr. COOLEY. Mr. Goss, I have a copy of Mr. Johnson's suggestion, which is in the form of an amendment. I would like to furnish you a copy, and give a copy to each member of the committee so we can consider the suggestion before we conclude the hearings.

Mr. Goss. Yes; I would be glad to have it.

Mr. PACE. Mr. Goss, there is something I am very much interested in, as contained in section 10 of the bill, on page 9, which provides that in order to carry out further research on utilization of agricultural commodities and products thereof authorized by section 1 of this title, certain funds are authorized to be expended, and then at the top of page 10, continuing the same section, is found this language:

The Secretary, in accordance with such regulations as he deems necessary, may enter into contract with such public or private organizations as he may find qualified to carry on work under this section.

It has been my understanding, and I would like to have your views on it, that under that section research could be carried on with respect to any question concerning utilization, any use, that had been developed in the laboratory, and under that section the Secretary would be authorized to take any company that had an efficient organization and contract with it to apply the results of that research in the production of some commodity. Is that your understanding of the authorization extended in that section?

Mr. Goss. I do not know, Mr. Pace, whether the authority you mention would be contained in the wording you read. I thought the wording was broad.

Mr. PACE. The language is pretty broad, and pretty plain that these funds should be appropriated for research on the utilization of agricultural commodities, and that the Secretary may contract with public or private organizations to carry on the work, a part of which would be, naturally, the demonstration of the process.

Mr. Goss. It would seem to me that there was possibly room under that language; that is that the Secretary would be authorized to carry the results to industry which might have use for it; so there would be no question about that.

Mr. PACE. It would seem to carry that authority.

Mr. Goss. For example, the case you have cited, the laboratory might develop through some research some commodity or article, but there would be no other organization or firm or industry that would know anything about it, and it would seem to me that it would be quite essential that if the bill does not carry such a provision it should provide the authority to carry on a sufficient educational campaign.

Mr. PACE. Not only an educational campaign, Mr. Goss, but what I had in mind was that you will have to go into the processing plant and make a contract. You have conducted the research work on certain matters; you have developed a new food, for example; or you have developed a new use for some agricultural commodity, and you make a contract to produce 10,000 cans, or 100,000 cans of that article, to put it on the market.

Mr. Goss. Well that is something different again. If that is to carry out an angle of the research, establishing the practicability of the research, then I would say that it does belong under research. But if that product is something that is to be put on the market, under a sort of subsidy to carrying its production, that is something else.

What I am getting at is that if the result of research results in the development of a new product, which could not go on the market in competition with something else without a subsidy—you do not mean you think that should be done?

Mr. PACE. Oh, no; not over an extended period.

Mr. Goss. You have reference to a trial period only, to try out the product?

Mr. PACE. Yes.

Mr. Goss. I would think that would be a part of research.

Mr. PACE. Yes; just for a temporary period to determine its acceptability.

Mr. VOORHIS. Under those circumstances it would be very important, would it not, to provide where such contract were entered into that if the thing did prove practicable the production of it be fully covered in the wording of the contract made with the producing firm.

Mr. PACE. It is already agreed that all of that research has become a public problem.

Mr. Goss. That is in the bill.

Mr. VOORHIS. But it would have to be clear it was a contract.

Mr. Goss. We would particularly like to stress that we ought to use the Government laboratories and the Government institutions for this purpose.

Mr. PACE. There is no question about it, if that is the thing to sell.

The CHAIRMAN. We thank you for appearing.

We will now hear from Mr. Ogg, Washington representative of the American Farm Bureau Federation.

STATEMENT OF EDWARD A. O'NEAL, PRESIDENT, AMERICAN FARM BUREAU FEDERATION, AS READ BY W. R. OGG, WASHINGTON REPRESENTATIVE

Mr. OGG. Mr. Chairman, I am regretful that President O'Neal is unable to be here in person because of his illness. He has asked me to present this statement to the committee on his behalf [reading]:

An efficient, healthy, and prosperous agriculture is the prime requisite of a prosperous nation. The gains from increased efficiency in the production and marketing of food and fiber are passed on to all the people of the Nation. Therefore, research which increases the efficiency of agriculture benefits every man, woman, and child in the Nation.

Agriculture is the Nation's largest, most varied single industry. It represents over 6,000,000 individual farms. The small size of each business makes it impossible for a farm to carry on research programs as do our great corporations. The land-grant colleges, through their agricultural experiment stations and the Department of Agriculture, have been set up to meet this need. They are the research departments for more than 25,000,000 farm people.

The agriculture research developed by these agencies, in cooperation with farmers and industry, has resulted in unparalleled progress in agricultural efficiency in America. The developments in plant breeding which have resulted

in hybrid corn and in new varieties of nearly all crops, has added greatly to the wealth of agriculture and of the Nation. Beginnings in agricultural research have also been made in other fields, such as soil use, improved breeds of livestock, animal and human nutrition, new and expanded uses for agricultural products, housing, and the more efficient use of labor and machinery, which has increased the productiveness of each worker. The need for scientific research in agriculture has been amply demonstrated. Increased emphasis must be given agricultural research so that the American farmer can meet successfully the increased competition from other nations. Research will also assist agriculture to hold its place with the rapid progress of industry and labor. This is essential in maintaining the balance in our entire economy. Thus agricultural research is a "must" if America is to hold her world leadership.

At the last annual meeting of the American Farm Bureau Federation, held in Chicago last December, voting delegates elected by farmers from 45 States and Puerto Rico, adopted a comprehensive resolution calling for a large expansion of agricultural research to assist farmers in meeting the multitude of problems confronting them in the postwar period. This resolution is as follows:

"AGRICULTURAL RESEARCH

"The efficiency of the American farmer and his ability to apply scientific practices to agriculture are outstanding in the world today. Other nations are asking assistance in applying these techniques to their agriculture. The contribution of scientific research in agriculture has been amply demonstrated in many ways.

"The consuming public has received great benefits in the way of more healthful food, produced more efficiently through the agricultural research conducted especially by the Department of Agriculture and the land-grant colleges. The support of such an agricultural research program under a system of free enterprise, which spurred the adoption of these practices once they were known, has resulted in unprecedented progress in agriculture.

"Special emphasis must be given to agricultural research in order for the American farmer to meet successfully the increased competition at home and abroad in the postwar period and to maintain an equitable balance with labor and industry. Additional attention must be given to developing better methods of production and soil use, new crops, improved crop varieties, improved breeds of livestock, and new and expanded uses for agricultural products. Emphasis also should be placed upon research dealing with the use of electricity on farms.

"Information dealing with production records and farm practices in the files of various public agencies dealing with agricultural problems should be made available to the appropriate agencies of the land-grant colleges, and studies should be made of the farm practices used by the most successful farmers. The results of these studies should be tabulated on an area basis and made available to all farmers as a contribution to economic production.

"More efficient methods in the distribution of agricultural commodities in order to avoid costly waste and extravagant handling must be devised. We commend Congress for setting up a special committee to make a study of distribution, and believe this will assist to a great extent in solving some of these problems.

"Special emphasis must be placed upon the problems of production and distribution of agricultural products. Methods of enabling agricultural fibers to compete successfully with synthetic products need additional research.

"Research is also needed to evaluate foods for higher nutritional content, especially as to their vitamin and mineral content and to determine the relative values of such foods as compared with the use of synthetic substitutes. This is equally true of competing synthetics in the field of forest resources and fiber products.

"We therefore recommend that the research programs of the Department of Agriculture, including the regional agricultural research laboratories, and of the land-grant colleges be expanded so as to assure agriculture a position in research equal to that of industry. We request that adequate funds be provided for this expanded research program and that authorization be given for carrying on research in the utilization of farm products by contracts with research institutions, provided adequate safeguards are made that the results of such research shall be universally available."

Following the passage of this resolution, representatives of our organization have held many conferences with officials of the Department of Agriculture, the State agricultural experiment stations, and with representatives of other farm organizations and commodity groups in an effort to bring about united action in getting an adequate program of agricultural research to give American farmers a research program comparable to that enjoyed by American industry. The Flannagan bill (H. R. 6548) and its companion bill, the Bankhead bill (S. 2248), provide for such a program.

The American Farm Bureau Federation strongly favors the Bankhead-Flannagan bill, and we sincerely hope that this measure will be enacted into law during this session of Congress in order that this urgently needed program can get started as soon as possible.

May I add a further word of explanation? I am very sorry that I am not in a position this morning to give you our specific recommendations with respect to the bill introduced by Congressman Hope to which you have referred.

The CHAIRMAN. That is perfectly all right.

Mr. OGG. I would just like to say that we are very much in favor of the objectives of that legislation and we may have some suggestions.

The CHAIRMAN. Mr. Ogg, will you just hold those suggestions until we have given further consideration to the bill, say until Friday?

Mr. COOLEY. Will you give us a statement in regard to the advisability of drafting the bill?

Mr. OGG. Yes, sir; I would be glad to do that later.

Mr. HOPE. Mr. Chairman, I would also like Mr. Ogg to consider the provisions of H. R. 5925 so that they will be prepared to say whether or not they favor its inclusion.

Mr. OGG. Very well; I will be glad to do that.

Mr. COOLEY. At the same time would you also give us your suggestions in regard to the amendments I suggested a moment ago of which I gave you a copy?

Mr. OGG. Yes; I would be glad to do so.

The CHAIRMAN. The next witness will be Mr. Charles W. Holman, secretary, National Cooperative Milk Producers Federation.

STATEMENT OF CHARLES W. HOLMAN, SECRETARY, NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION

Mr. HOLMAN. I am Charles W. Holman, secretary of the National Cooperative Milk Producers Federation. We have about 380,000 farm families in 45 States, Mr. Chairman.

It is one of the very large organizations in the country and it is growing rather steadily. These organizations are all farmer-owned and farmer-controlled dairy cooperative associations, but just because their membership is not limited to dairying does not mean our whole organization does not concern itself with almost every type of agricultural legislation or such problems that come up in Washington or the Congress, because our people are growing a lot of things besides dairying and milk.

The CHAIRMAN. You are carrying on general farming activities as well?

Mr. HOLMAN. That is correct. I am appearing only for a minute or two to give adherence to the general purpose and intent of the bill, H. R. 6548, and to point out that we believe a great deal could be done for dairy farmers themselves through the furnishing of additional

funds and the carrying on of cooperative experimental work among the States, with regard to the utilization of various types of dairy products. For example, the use of skim milk is by no means explored. I think it is well understood we may use our skim milk; we make a good many things out of skim milk running from buttons to cloths, and there is a possibility of a great many other things that could be made.

We are even making alcohol from whey coming from the cheese factories in Wisconsin. It is becoming a very lucrative business for those making alcohol out of it.

We know that the acid elements within butterfats have hardly begun to be touched, so far as research is concerned, what the scientists call—I know nothing about it—but what they call the long-chain and short-chain fatty acids. In the explorations of the possibilities within those acids we may find many reasons why butter is a superior fat. Also in this connection we would like to see some studies made of the digestibility of all fats. I do not think any serious work on the digestibility of fats has been done for over 30 years. The last work of any great importance was the work of Dr. MacAllister of the University of Alabama. At any rate, nutritionists agree that is the next new great field, and beyond that studies of assimilation of these fats. These are very important things for us to know in connection of even the marketing of our products. After those studies in marketing and studies of that character, I think the arguments are well understood that there is need of further studies as to the possibilities of market, the possibilities particularly of expanding utilization and the finding of new outlets themselves in this new world that we are coming into, where we may find it very difficult to sell our own products over the world. We may find ourselves buying more competitive products than we are selling abroad. In fact, I do not think it was generally recognized for many years that America had been turning more and more to an importing rather than an exporting country in regard to food.

Mr. ANDRESEN. Mr. Holman, will you permit a question? I think there has been an increased production because the tariff values have been reduced and prices in this country have been higher than in other parts of the world and those things are very important and need to be considered.

Mr. HOLMAN. I think that is the fundamental reason for it and we may expect that to be accentuated. Once this new composite joint trade agreement is set up by the British Empire and the sterling bloc and the British get their loan, I have reason to believe our duties will be cut considerably on agricultural products.

Mr. ANDRESEN. You do not understand that they have already agreed to set aside the sterling bloc; they have agreed to discuss it.

Mr. HOLMAN. I understand that the State Department is already drawing up the schedules with the items already cut, even prior to the further hearings which are purely window dressing.

Mr. ANDRESEN. That is common practice.

Mr. HOLMAN. I did not intend to raise a question of that kind but I was directing attention to the long-time treatment. In closing I want to call attention to section 11.

Mr. ZIMMERMAN. Have you examined the report of the Postwar Committee of the House?

Mr. HOLMAN. No, sir; I have not, Mr. Zimmerman. I will be glad to examine it.

On page 12, section 11, when I first read this I thought it must be a typographical error.

The CHAIRMAN. What page is that?

Mr. HOLMAN. Page 12, section 11. It says:

In order to aid in implementing the purposes of sections 9 and 10 of this title, the Secretary shall appoint a committee consisting of two persons from each of the four general national farm organizations, to be selected from nominees submitted by these organizations.

I am not at all sure we are left out but I am sorry for the fifth organization which might be left out. I commend it to you, sir, because it would cause a great deal of bad feeling among the organizations and there would be a lot of difficulty with the Secretary.

The CHAIRMAN. It would also be embarrassing on the part of the Secretary.

Mr. HOLMAN. Yes, sir. There are five that have national functions and national interests. Some are larger than others. We happen to be among the largest.

Now I thank you gentlemen for your attention. I can assure you that our organization will support the general provisions of the bill. As to the amount of money available or the amount of money desirable, that, of course, is for the committee to determine.

The CHAIRMAN. We thank you.

Mr. ANDRESEN. I want to ask Mr. Holman a question. You heard my statement on H. R. 5925, which has as an objective to find new crops to be produced in the United States. Would your organization favor such an objective?

Mr. HOLMAN. I think we would consider it a most laudable objective. We need to do things of that type.

Mr. ANDRESEN. Would you feel that a definite section or title should be included in this bill to say that such work shall be conducted?

Mr. HOLMAN. Why not? There is a title in the bill that provides for research in utilization of the manufactured commodities from these agricultural products, such as spinning and many other things, and here is something which goes into the basic wealth. We need further investigation into this activity.

Mr. ANDRESEN. I am glad to hear you are for that.

Mr. ZIMMERMAN. Isn't that part of the duties of the Department of Agriculture, to find out what products are profitable for the farmers to plant and grow?

Mr. ANDRESEN. But that has not been the policy, Mr. Zimmerman. I remember we had hearings on the development of the castor bean in the United States, and the Department of Agriculture and the administration were bitterly against it and they stopped such experimentation.

The CHAIRMAN. I thought the bill was broad enough to cover it.

Mr. HOLMAN. I did so, too.

Mr. ZIMMERMAN. I think we should say that was the policy of the policy of the Department of Agriculture at all times.

Mr. HOLMAN. On that may I comment that there are circles of interest that the Department shows in various things. For instance, in the earlier years of economic research of the Department, Dr.

Fellman development a real farm management study by having his men go out and actually work with the farmers and develop excellent types of farming in the different regions. As time went on that changed almost completely to statistical studies. Then there developed a school of thought over the country and in the Department that you could not ascertain costs of production. Well, now, our organization knows that you can definitely obtain certain costs of production so far as milk is concerned and we would like to see a revival of interest on the part of the Department in cost studies of that character. There are many of these commodities that are subject to cost studies where the evidence would be fairly dependable. Certainly our own operations on milk and butterfat lend themselves to such studies and the time is coming when we are going to price our milk on the cost of production plus marketing.

Mr. ANDRESEN. And there is a school of thought down here that people can eat their corn and oats and barley directly and not take it in the form of dairy products.

Mr. HOLMAN. That is correct.

Mr. GILLIE. Where we are speaking about this new type of research for dairying and for farming, there was an article appeared about a year or two ago in an agricultural digest by Dr. Dome, in which he spoke about the improved methods in the handling of milk; and, as I remember it, he talked about the possibilities of improving the distribution of milk as well as its production. He said the possibilities are unlimited and the primary need is for continued research and study. He said, for instance, what takes place in milk distribution as it travels from the farm to the consumer, first it is cooled, then it is heated, and then it is cooled again; then modified and standardized, then loaded and unloaded, and then transported, unloaded again, and packaged; then it is loaded and unloaded, until the handlings become so numerous that the costs are added to greatly on this product. Then he says further that apparently the day will come when the warm milk will be taken from the cow directly to the separator, put in a dryer and powdered, then it would be shipped to the city to the grocer, and so forth, once a month; and then the consumer can go to the grocery store and buy enough milk to last a month.

Have you ever thought anything about that?

Mr. HOLMAN. Yes, we thought a lot about it.

Mr. GILLIE. That is another step forward.

Mr. HOLMAN. The greatest development in the war period has been the increase in the drying of both skim milk—dry milk solids as we call it—and whole milk.

Mr. GILLIE. I wondered if it was possible to do a lot of research work on that?

Mr. HOLMAN. I do not think we have begun to touch on the possibilities or refinements in the development of the quality of powdered milk, although we are producing some very fine products of that kind.

Perhaps Mr. Johnson who knows more about it than I do will probably agree with me that we are going much further in developing a much finer quality of powdered milk than we have at the present time.

Mr. GILLIE. If you take the powdered skim milk and add the fats which are in another package, you can then use it for milk.

Mr. HOLMAN. Yes; but I think it would be many years before the consumer would be willing to take all of the milk in the form of powder.

Mr. ANDRESEN. Isn't it a fact that if this plan of Mr. Dome would be carried out they would run into difficulties with the Teamsters' Union?

Mr. HOLMAN. I was thinking about it, but it would result in a much cheaper product to the consumer.

The CHAIRMAN. We thank you, Mr. Holman.

We will next hear from Mr. Davis, of the National Council of Farmer Cooperatives.

**STATEMENT OF JOHN H. DAVIS, EXECUTIVE SECRETARY,
NATIONAL COUNCIL OF FARMERS COOPERATIVES**

Mr. DAVIS. Mr. Chairman and gentlemen of the committee, I do not think it is necessary for me to go into the reasons for research that have been pretty well covered by Mr. Goss and Mr. Ogg.

Next week we will have together here in Washington representatives of our 13 coordinated marketing divisions, and among other things they will discuss both the Flannagan bill, H. R. 6548, and the Hope bill; and following that discussion it may be that we would like to put into the record some additional information or recommendations, and if the record is still open at that time we will be glad to do that.

The CHAIRMAN. What time will you conclude next week, Mr. Davis?

Mr. DAVIS. Why they will wind up about Wednesday evening.

The CHAIRMAN. If we have concluded the hearings at that time I will withhold the printing of the hearings until after Wednesday, and if they desire to file statements they will be included.

Mr. DAVIS. All right; I am not sure they will. We had hoped we would have that meeting before this hearing came up.

I would like to talk about three parts in this bill. In the first place, let me say that we are in accord with the type of research that it recommends. They have always consistently supported research through land-grant colleges and experiment stations and research laboratories as provided in the bill.

We strongly favor research both in the field of production and marketing, and we favor the cooperative type of research that brings together the various agencies, and early enough to get at the heart of the real problem.

Section 10 (a) of the bill, we think, is vague where it talks about the research that is to be carried on through public and private organizations. We feel that that should be further spelled out, the type of agency should be spelled; there should be some standard probably in terms of staff, the training of the staff, adequacy of the staff of these agencies, and possibly some provisions for reporting back in the form of progress reports and auditing reports from time to time from those agencies. We are very much in accord with the high ideals expressed here this morning, of carrying this research into practical use through the tying in with private agencies or public agencies, whichever is best suited to carry it forward.

The other thing I wanted to comment on is marketing research. I think that the one most serious criticism of this bill we make is the situation up here in pretty definite provisions and allocation of funds for the bringing about of additional uses, but it does not allocate any specific funds for marketing and we think that that should be done.

The CHAIRMAN. We want to make the Hope bill title II of H. R. 6548.

Mr. DAVIS. All right.

The CHAIRMAN. We have already had a rough draft of the consolidated bill made with the idea in mind of transferring all marketing activities now appearing in H. R. 6548 over to title II, of which the Hope bill would be the foundation.

Mr. DAVIS. I would like to see that possibility explored. If that cannot be done, then we suggest that some marketing and distribution research be set up, at least on a parallel for the utilization of agricultural products.

The CHAIRMAN. Mr. Davis, these are very important studies. I think most of us believe it. We think it would be well to put marketing in and we have used the Hope bill as the basis of that study.

Mr. DAVIS. If that is done, I think that would overcome our objections.

The CHAIRMAN. Well we thank you, Mr. Davis, and if your organizations desire to file a statement they may do so and we will be glad to receive it.

The hearing will adjourn until 10 o'clock tomorrow morning.

(Thereupon the committee adjourned, to meet on Wednesday, June 19, 1946, at 10 a. m.)

AGRICULTURAL RESEARCH

WEDNESDAY, JUNE 19, 1946

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The Committee on Agriculture met in the committee room, New House Office Building, at 10 a. m., Hon. John W. Flannagan, Jr., chairman, presiding.

Other members present were: Hon. Stephen Pace, Hon. W. R. Poage, Hon. E. C. Gathings, Hon. Thomas G. Abernethy, Hon. Clifford R. Hope, Hon. J. Roland Kinzer, Hon. August H. Andresen, Hon. Anton J. Johnson, Hon. Cliff Clevenger, Hon. George W. Gillie, Hon. William S. Hill, Hon. John Phillips, and Hon. Charles B. Hoeven.

The CHAIRMAN. The committee will come to order.

The first witness will be Mr. J. M. Jones, secretary of the National Wool Growers Association. Mr. Jones is to appear before a Senate committee this morning, and is anxious to get through as quickly as possible.

We will be glad to hear from you at this time, Mr. Jones.

Mr. JONES. Thank you, Mr. Chairman; my statement will be very brief.

STATEMENT OF J. M. JONES, SECRETARY, NATIONAL WOOL GROWERS ASSOCIATION

Mr. JONES. Mr. Chairman and gentlemen, my name is J. M. Jones. I am secretary of the National Wool Growers Association, with headquarters in Salt Lake City, Utah. The membership of our organization consists of wool growers in Texas and 12 other Western States, all of which have State wool grower organizations affiliated with the national.

Over 70 percent of the sheep industry in the United States is located in this area, representing an investment of three-fourths billion dollars and requiring the services of 175,000 operators. The economic stability of these Western States is dependent to a great extent on the prosperity of this industry.

The need for research such as contemplated in H. R. 6548 and S. 2248 to improve the quality of wool and lambs; to improve methods of production, marketing, distribution, and processing of these products; to find new uses and improve old; to reduce waste and inefficiency and to better utilize byproducts; and to further explore the nutritive and health values of both wool and lamb, has been recognized by the industry for a long time.

The National Wool Growers Association at its eighty-first annual convention in January 1946 commended the Quartermaster Department of the United States Army for their extensive research during the war on both wool and lambs, and respectfully recommended that research programs be continued and that Congress appropriate such funds that may be required for this purpose.

Our people, therefore, favor the principles of H. R. 6548 and S. 2248 and recommend to this committee that H. R. 6548 be given favorable consideration and urge that Congress enact these bills into law.

We should like to request, however, that section 11 be amended to include the great livestock industry on the committee to be appointed by the Secretary of Agriculture—members to be selected from nominees submitted by the National Wool Growers Association and from the American National Livestock Association. This proposed research program is very broad and should include these organizations.

I will not take the time of the committee to outline the research programs for either wool or lambs which we now have in mind, but will conclude with the hope that these bills are passed with the suggested amendment to section 11.

That covers my statement, Mr. Chairman. Thank you very much.

The CHAIRMAN. AS I understand from your statement, the Wool Growers Association are in accord with the provisions of the bill, but suggest that section 11 be changed to include a representative of the livestock industry on the advisory group.

Mr. JONES. That is particularly true when anything pertaining to wool or meat is under research or investigation. Then a representative of the livestock or wool growers should be on the advisory board.

Mr. PHILLIPS. Your idea would be to put on an additional member on the advisory groups, either on the livestock or the wool growers association?

Mr. JONES. It would be perfectly agreeable to have one representative of the livestock, whether sheep or cattle. Perhaps the particular program would include wool, otherwise it would be agreeable.

Mr. PHILLIPS. How many does the advisory committee call for now?

Mr. JONES. Four on the association advisory committee.

The CHAIRMAN. I think that we have got to amend that section.

Mr. PHILLIPS. Yes.

The CHAIRMAN. Thank you, Mr. Jones.

We have a number of witnesses to be heard and I am not certain in which order they wish to appear. As I understand we have with us this morning Mr. H. L. Wingate, from Georgia, representing the peanut industry; Mr. Leon Todd, representing the national poultry committee of the American Farm Bureau Federation; Mr. Walter L. Randolph and Mr. Malcolm E. Campbell, representing the cotton growers.

Have you gentlemen any preference as to the way in which the witnesses should be called? [After a pause.] If not, I will ask Mr. Wingate to speak.

Mr. WINGATE. I would prefer to have you hear first from Mr. Randolph.

The CHAIRMAN. The next witness will be Mr. Walter L. Randolph, president of the Alabama Farm Bureau Federation, who is a member

of the board of directors of the National Cotton Council and chairman of that council's committee on utilization research.

**STATEMENT OF WALTER L. RANDOLPH, PRESIDENT, ALABAMA
FARM BUREAU FEDERATION; MEMBER, BOARD, OF DIRECTORS,
NATIONAL COTTON COUNCIL**

Mr. RANDOLPH. My name is Walter L. Randolph. I am president of the Alabama Farm Bureau Federation and a member of the board of directors of the National Cotton Council. I am chairman of the Cotton Council's committee on utilization research. I served as chairman of the subcommittee on research of the resolutions committee of the American Farm Bureau Federation at its last annual convention. In the following statement, presented for the National Cotton Council and the American Farm Bureau Federation, I will deal with the need for increased research on the production and utilization of cotton.

Your Subcommittee on Cotton, of which Congressman Stephen Pace is chairman, held hearings from December 4 to 9, 1944. The subcommittee heard a large number of the best authorities in the United States on the problems of cotton. The witnesses differed widely in their opinions about almost everything except the urgent need for more research. On this they were unanimous. Witness after witness bore down on the fact that the cotton farmer faces the competition of industrially produced fibers, and therefore, if he hopes to survive, he must have a research program that is big enough and efficient enough to compete with the huge research programs of modern industry.

The Subcommittee on Cotton held further hearings on May 14 to 16, 1945, and every part of the cotton economy and every shade of opinion was again represented. At that time Congressman Pace proposed a program for consideration of those present. Expanded research was, of course, one of the leading features of this program. The discussion gave emphasis to the fact that the broad expansion which was needed in cotton research should be based upon careful, coordinated planning by all the research agencies interested in cotton. Accordingly the subcommittee requested the National Cotton Council to sponsor a meeting of all such agencies. The meeting was held in Memphis, Tenn., on May 30 and 31, 1945. The attendance was made up of 42 persons holding executive positions in Federal, State, and private research agencies concerned with cotton. The accomplishments of that group were twofold: First, a short-term fact-finding program on the agricultural and economic problems of the Cotton Belt was organized. Second, an adequate long-term program of research on the production and utilization of cotton was accepted as a basic and essential feature of any real solution of the cotton problem, and a series of meetings was immediately begun for the purpose of developing a sound plan for expanded research.

During the 12 months that have passed since the Memphis conference, the National Cotton Council and the southern experiment station directors have given a major portion of their time and energy to the planning of an adequate cotton research program. So likewise has the Department of Agriculture. Many conferences have been held and viewpoints exchanged by representatives of the farm or-

ganizations, the land-grant colleges, the Department of Agriculture, the other public and private research agencies outside the Department of Agriculture, and the National Cotton Council. The authorization bill now before you, H. R. 6548, is generally in harmony with the thinking and judgment of all these groups, although some differences of opinion are of course inevitable.

We have recognized all along that while cotton's research problems are unusually acute, the other products of American agriculture are also in need of expanded research if the farmer is to have a fair chance of increasing his productivity and income as rapidly as the productivity and income of industrial laborers increase. Every section of the country has a vital interest in agricultural research. Therefore, with the cooperation and guidance of land-grant colleges and farm organizations representing every part of America, we have broadened our proposed program for research on cotton and related crops in the Cotton Belt, to include research on the problems of all American farmers. This broadened program for all of agriculture would be authorized under H. R. 6548. We strongly recommend that the bill be passed.

The development of this proposed program of expanded research is a direct result of the work of your Subcommittee on Cotton. The fact-finding program of this subcommittee is responsible for the information upon which this proposal is based. I will now give you a brief outline of the situation which makes expanded cotton research a matter of urgent importance to the Nation.

To get at the roots of the cotton problem we must face the fact that cotton is confronted with increasingly keen competition in the fiber market. The key to the competition of fibers is research. Research is constantly demonstrating that it can do two things for a fiber: (1) Increase its usefulness, (2) reduce its cost of production. If a fiber lags behind in research, two things are bound to happen: (1) Its markets will suffer, (2) the income of its producers will suffer. Let us see what has been happening to cotton.

In the world of science the generation just past has been one of tremendous progress, but cotton has stood relatively still. There have been some improvements in the growing and processing of cotton, but they have not been important enough to keep labor productively in cotton growing and cotton manufacturing from falling steadily backward in comparison with other industries. On many farms in the Cotton Belt the production of a bale of cotton requires as many man-hours of labor today as it required 30 or fifty years ago. The processes of spinning and weaving cotton have undergone few, if any, fundamental improvements in 150 years. Without the aid of Government subsidies, cotton has been unable to enter a single new market of major importance since the advent of pneumatic automobile tires.

On the other hand, in the past two decades, the rayon industry has advanced so rapidly that the domestic market now takes a pound of rayon for every 6 pounds of cotton. Rayon was borne of science, and its steady progress is made possible by scientific research. Research is responsible for nylon and for a dozen other synthetic fibers which are now in various stages of development. Research is primarily responsible for the large-scale use of paper in markets formerly supplied by cotton—such as bags, towels, napkins, handkerchiefs, and cordage.

Cotton has not kept pace. The cost of other fibers will continue to go down. The quality and versatility of other fibers will continue to improve. There is no part of the cotton market which one or more of these fibers may not capture in the course of time if cotton continues to fall behind in research. Unless cotton can begin equaling the program of its competitors in the improvement of product usefulness and acceptance, the plight of the cotton economy will grow steadily worse.

If we take a fresh look at the way cotton is grown and the way it is processed we can find no scientific reason why it should fall behind in technology. All the main fields of scientific specialization hold promises of great achievements for cotton. The problems lie in the fields of biology—genetics, physiology, entomology; in the field of chemistry—organic, physical, analytical, biochemical; and in the fields of engineering—chemical, mechanical, electrical. These are the fields that have produced the miracles of modern science; they are at the foundation of all our progress in labor productivity and income.

Cotton's potentialities for progress in these fields are illustrated by various achievements of the last few years, which have been made as a result of a gradually increasing interest in cotton research. For example:

1. The mechanical cotton picker.
2. The flame cultivator.
3. The radical improvements in cotton tire cord (too late to keep rayon from taking over a big part of the market).
4. The flameproof, water-repellant building insulation material.
5. The unspun, unwoven fabrics made by compressing the card web and overprinting it with adhesive.

It is sometime suggested that the synthetic fibers have greater research potentialities than the natural fibers, because the synthetics are chemically produced under artificial controls. Actually, the modification of the cotton fiber by chemical and physical methods holds great possibilities. Mercerization, dewaxing, and resin impregnation are illustrations. At the same time cotton, unlike rayon, can also be modified through the science of genetics. Seed breeding and selection have produced marked improvements in the strength of the fiber in recent years, and progress in this field can be further accelerated.

A major part of the research conducted today by rayon companies is concerned with textile processes—spinning, weaving, knitting, finishing, and dyeing. One company, American Viscose, has in one research laboratory about 10 times as much spinning, weaving, and knitting equipment as the Southern Regional Research Laboratory of the United States Department of Agriculture. The purpose is to discover ways of using rayon more advantageously on the machinery of the textile industry. At this level of research competition, all fibers meet on common ground. Here the idea that research is more appropriate for one fiber than for another disappears entirely.

Should cotton be given a chance to hold its own in research? The need for an adequate cotton research program goes beyond the huge investment in the cotton industry and even beyond the welfare of the people who depend on cotton. On merit alone, the cotton fiber

has so many valuable characteristics that failure to develop them to their greatest usefulness is against the best interests of the whole consuming public. Cotton is strong, white, absorbent, easily dyed, easily shrink-proofed, easily laundered, resistant to wear. Other fibers may excel cotton in one or two qualities; but none has so many of the important qualities to such a marked degree; none is so universally recognized as the most versatile of all fibers. With such a fundamental advantage, certainly everything possible should be done to extend and augment these characteristics in order to realize to the fullest the potentialities of cotton.

A healthy condition in the cotton economy is necessary to the economic welfare of the whole Nation. The 9,000,000 people on cotton farms and 6,000,000 more in the cotton industry are an important part of the national market. Furthermore, if farmers withdraw from cotton production, they will be obliged to seek their living by competing either for the markets of other farmers who produce milk, meat, wheat, and so forth, or for the jobs of laborers in our industrial plants.

Why isn't cotton holding its own in research? The answer can be found in the amount of money spent for research on cotton and on its competitors. In February 1940 the agricultural news letter of E. A. du Pont de Nemours carried a revealing article on research. It brings out clearly that the chemical industry, as a whole, spent 2 percent of its gross revenue on research. This information was later repeated and emphasized by a du Pont representative in testimony before a committee of the United States Congress. Here is the best possible evidence of the amount of money that goes into research on cotton's competitors. Du Pont itself is the originator of nylon and one of the biggest producers of rayon. All the fibers that threaten cotton's markets most seriously today are produced either by the chemical industry or by other industries which capitalize on the research of the chemical industry and also have big research programs of their own. Two percent of gross revenue for research.

The gross revenue of farmers from cotton and cottonseed in recent years has averaged about 1.3 billion dollars a year. Two percent of this figure would be \$26,000,000. The money spent for research on cotton is between three and four million dollars a year.

Mr. PHILLIPS. Is that amount spent by the industry, or spent by the experimental stations?

Mr. RANDOLPH. The three to four million dollars?

Mr. PHILLIPS. Yes.

Mr. RANDOLPH. It is spent by all agencies—public, private, State, Federal, all of them.

Mr. PHILLIPS. It includes all agencies?

Mr. RANDOLPH. That is right.

The CHAIRMAN. Mr. Randolph, the rayon industry is not spending 2 percent of its gross revenues for research, is it?

Mr. PHILLIPS. That is the industry as a whole. Rayon was one of the discoveries.

The CHAIRMAN. I wonder why textile manufacturers have not engaged in research work.

Mr. RANDOLPH. I will cover it a little later in my statement, Mr. Chairman. If it isn't actually covered I will come back to it.

Mr. RANDOLPH. I said that the money spent for research on cotton is between three and four million dollars a year—approximately one-seventh of what it would have to be to give cotton a chance against its competitors. These three or four million dollars represent everything that is spent on cotton research, both scientific and economic, by every agency, Federal, State, and private.

Cotton requires at least as large a part of gross revenues for research as any of the fibers produced by industry. The problems of growing cotton and manufacturing its products are, in fact, a great deal more complicated than the problems presented by any other fiber. Cotton is produced on 2,000,000 cotton farms in 19 States. The production problems vary with every difference in weather, soil chemistry, terrain, and so forth. The cotton crop passes through 10,000 gins. It supplies the varied needs of 1,600 domestic textile mills and the export market. It is processed and fabricated for a great many more end uses than any other fiber, each end use having separate technical requirements which must be met. The cottonseed involves a whole separate industry with 400 crushing plants, serving a variety of distinct market requirements.

Cotton is losing out in technology because the total cotton research program is too small for the size and scope of the problems. Some of the individual research results are impressive, but they should not make us feel that cotton is holding its own. For every project conducted, many scientists will have to work on cotton if this fiber is to attack its research problems with the same over-all effectiveness as rayon, paper, and its other competitors. No one today is investing enough money in cotton research to give the fiber a chance. If the comparative research expenditures on cotton and other fibers continue as they are today, the defeat of cotton in the race for survival is a certainty.

Why does no one invest enough money in cotton research to give the fiber a chance? The two private groups who might be expected to do so are the cotton textile mills and the cotton farmers.

The cotton textile industry was in the vanguard of the industrial revolution. The inventions of the eighteenth century set the pace for all industry. For the past century and a half, the textile manufacturers have yielded to the temptation to rest on their laurels until they have become, long since, one of the most backward of all industries in technological progress. Another reason that research has been neglected is that textile manufacturers, on the whole, are numerous and small. Cotton research has been further neglected because the rayon manufacturers have conducted research for the textile industry. The textile manufacturers have learned to expect research from their raw material suppliers, and they are shifting allegiance to the suppliers who fulfill their expectations.

Productive research in the cotton textile industry, practically nonexistent a few years ago, is increasing on a modest scale today; but there is now a fundamental reason why cotton cannot look to this industry for its primary support in research. Rayon staple fiber has become a raw material of great importance to the "cotton" textile industry. Cotton spinning equipment can easily be adapted to the use of rayon. Other fibers hold similar possibilities. The cotton textile industry is coming to realize that it no longer depends solely on cotton. The Institute of Textile Technology, the newly created

research agency of the cotton textile agency, states frankly that it will develop whatever fiber the industry can use to its greatest advantage for a given purpose. Cotton cannot depend for its own research upon the manufacturers who serve as a common market for both cotton and rayon. What cotton needs is research conducted for the producers of cotton, comparable with the research conducted for the producers of rayon.

We turn then to the cotton farmer. Can he conduct the necessary research? There are 2,000,000 cotton farms in this country, producing an average of six bales to the farm——

Mr. PHILLIPS (interposing). Could I interrupt? What is the average number of bales of cotton per acre?

Mr. RANDOLPH. It varies in different sections.

Mr. PACE. It is about one-third of a bale of cotton per acre. I believe it has increased in the last year and a half to a half a bale. Of course, in your State, Mr. Phillips, it averages about two bales of cotton per acre where you have the cotton on irrigated land.

Mr. PHILLIPS. How large is the average cotton farm?

Mr. PACE. We do not have cotton farms.

Mr. RANDOLPH. I said there are 2,000,000 cotton farms in this country producing an average of six bales to the farm. Because of the huge number and small size of our cotton farming units, the farmers are not only unable to conduct their research as individuals; they are also unable to form an organization which can do so, or to finance adequately such an organization. Intense efforts to organize the cotton farmers have been made over a long term of years, and no cotton organization has ever been able to raise enough money for more than an infinitesimal part of the needed program.

Since this is the case, we are called upon to choose between: (1) Allowing cotton to drift into an even weaker competitive position through lack of adequate research, with all the inevitable toll of human suffering and economic unsettlement in the Cotton Belt and the Nation; and (2) finding some other way of establishing a cotton research program as big and comprehensive as the problem.

It is this type of situation, where private enterprise cannot meet a great social and economic need, that governmental enterprise should and must meet that need. This principle belongs to the best traditions of our Government. The Federal Government for many years has made it a policy to conduct cotton research; the only question now at issue is how thoroughly and effectively that policy shall be applied.

In recent years the Federal Government has found it absolutely necessary to pay out hundreds of millions of dollars to save the Nation's cotton farmers from bankruptcy and starvation. In 1938 alone, payments to supplement the sagging price of cotton and assist the producers through a year of severe economic distress totaled \$265,000,000. If, in addition to meeting this urgent necessity, the Government had invested a tenth as much in research to get at the cause of the trouble by improving the earning capacity of the cotton farmer, it would be in a far better position today. Surely an adequate cotton research program would be a sound long-run investment for the Government.

The bill now before you, H. R. 6548, would authorize the appropriations that are needed to give cotton a chance in research. A major part of the needed expansion must take place in the State experiment

stations, as provided in section 9 of the bill. These are the only agencies with the facilities, personnel, and knowledge of local conditions, necessary to conduct research on most of the problems involved in growing better cotton at a lower cost. Some of the needed research in the production and marketing of cotton is a logical function of the Department of Agriculture, working in cooperation with the State experiment stations; and provisions for this work is made in subsection 10(b). Dr. Clarence Dorman, director of the Mississippi Experiment Station, has already told you of the tremendous opportunity and challenge that we face in the broad field of research on cotton production.

The bill also would authorize, in subsection 10(a), appropriations for research by the Department of Agriculture on the utilization of cotton and other farm products. Insofar as the Department has or can obtain, in its research laboratory at New Orleans, the necessary facilities and personnel to do a really adequate research job on the utilization of cotton, the money made available for cotton under this subsection should be used upon research in the Department's own laboratory. But insofar as the Department is unable to achieve in its own laboratory the necessary capacity to give cotton a fair chance to keep pace with its competitors in utilization research, we face an obligation to see that the needed research is done elsewhere. Accordingly this subsection provides authority for the Secretary of Agriculture to enter into contracts with other qualified research agencies for this purpose. The cotton farmer today is in desperate need of utilization research. His competition is moving at the pace of modern industry. I have told you that one rayon company has 10 times as much experimental spinning and weaving equipment as the New Orleans laboratory. As long as situations like that continue, we are merely puttering with one of the biggest and most fundamental problems of American agriculture. If we are inclined to seek excuses for inaction and delay, we can dwell upon that fact that research scientists are in great demand today and that experimental equipment is in short supply. But if we go at this problem with energy and determination, we can find scientists and equipment to meet this challenge. They can be found in the universities and colleges and in other public and private research institutions. The 10 textile schools, for example, have the kind of equipment and trained personnel needed to help overcome the backwardness of cotton in textile research. We have asked Dr. Malcolm Campbell, dean of the North Carolina State Textile School, to appear before you in witness to the fact that the facilities and personnel can be made available.

As other fibers make their inevitable progress in utilization research, cotton can also make progress at an equal or faster rate. The specific problems that cotton needs to overcome are almost unlimited. For example, there are the problems of making cotton as clean as competing fibers, giving it uniformity of length, increasing the tensile strength of yarns and fabrics, improving the resiliency of the cotton fiber, developing a good crease-resistant finish, and providing yarns and fabrics that are carefully designed for specific end uses. Insofar as the Department's own laboratories cannot measure up fully to the need for research on problems like these, conducted on an adequate scale to give cotton an equal chance in competition, we strongly urge

that the Secretary be authorized to conduct the research through contracts with other agencies, in the manner provided in this bill.

We are convinced that it is feasible and necessary to expand the program of cotton-utilization research by approximately \$8,000,000 per year within the next few years if cotton is to hold its own in competition and measure up to its opportunities for serving the American consumer. It is our understanding that the Secretary of Agriculture, on the basis of his investigations, fully appreciates the special need for cotton-utilization research, and we have been assured by his representatives that the Department recognizes the appropriateness of devoting to cotton a major part of any new funds made available for utilization research.

In conclusion, let me say that no sound solution of the cotton farmer's problems is possible without the research expansion that is contemplated under this bill. Regardless of what new programs may be worked out for cotton in the years ahead, they will be deficient if the need for adequate research is unfilled. The bill now before you goes right to the fundamentals of the cotton farmer's problems, and we strongly urge that it be enacted into law and followed up with adequate appropriations at the present session of Congress.

Mr. PHILLIPS. How much acreage is devoted to cotton on the average plantation?

Mr. PACE. The average throughout the Nation's 2,000,000 farms is 6 bales to a farm, which would make a total of about 12,000,000 bales.

Mr. PHILLIPS. What is the average size of a farm?

Mr. RANDOLPH. In Alabama the average size of a farm is between 70 and 80 acres.

Mr. GATHINGS. That is the entire farm?

Mr. RANDOLPH. Yes; that includes the woods, pulp land, and all the farm; that is the size of the average farm in the State of Alabama.

The CHAIRMAN. What is your average cotton production in Alabama?

Mr. RANDOLPH. That is about the national average.

The CHAIRMAN. But what is the national average?

Mr. RANDOLPH. Running between 250 to 270 pounds per acre for the last several years. The average per acre in 1932 was 169 pounds, as I remember.

Mr. PACE. That is approximately correct; say 170 pounds.

Mr. GATHINGS. That is lint cotton.

Mr. HOPE. If that is the average, it seems that a great many farms are below that average and considerably below it, which would mean that your average farm that you are talking about of 70 or 80 acres might have as much as 25 or 30 acres of cotton on it and still produce 12 to 15 bales. Isn't that correct?

Mr. RANDOLPH. There would be some below and some above.

Mr. HOPE. But not more than 8 or 10 bales to the farm?

Mr. RANDOLPH. That is right. Isn't it a fact that the general average is cut down materially by the low yields in Texas?

Mr. HOPE. Well, I expect that statement is substantially correct. It is cut down by the low yield all over the belt, not just in Texas. Parts of Texas have a very good yield, sir, but one part of it has quite a low yield.

The CHAIRMAN. What do you mean by a low yield in Texas?

Mr. ANDRESEN. They have acreage there but the yield per acre is low, although I suppose altogether they produce about 50 percent of the cotton in the country.

Mr. ABERNETHY. Oh, no.

Mr. ANDRESEN. They used to. What I am getting at is, this rate in the State of Georgia, Alabama, and other Southern States where they produce cotton, outside of Texas, the yields have been increased from, say, around 175 pounds per acre, and some even less, to over 300 pounds, like down in Georgia.

Mr. PACE. That is good cotton when you get 300 pounds an acre yield, but that has been due to variety program and seed selection.

Mr. ANDRESEN. So that the cotton grower is in better shape than when he was getting 169 pounds to an acre on a general average.

I would like to ask you about this research program benefiting the cotton farmers. I understand as soon as this British loan is made, the textile industry in Britain is going to be modernized. There is not sufficient capital to do it now, and they are afraid that the new government will take over and socialize the industry, so they are waiting for this British loan in order to accomplish this modernization. When that textile industry in Britain is modernized, of course we recognize under organized labor that they are not going to have the same scale of wages over there that we have here; and when you also consider the further fact that we are going to rehabilitate and modernize the textile industry of Japan; and when you consider, further, that we are going on the free-trade basis for the importation of textiles so as to be on a world-trade basis with other countries—do you think this research program can help offset the damages done to American textiles?

Mr. RANDOLPH. In the first place, I am not sure that I agree with the premises set up by the Congressman; but assuming they are correct, which I do not think they are, we still need a research program and we would need it worse if what you say is true, and we would need it if it were not true.

Mr. ANDRESEN. Where do you differ with the premise?

Mr. RANDOLPH. Well, I am not sufficiently informed on the subject you referred to. All I said is that I did not necessarily agree. That is what I meant. I just do not know all those things.

Mr. ANDRESEN. Assuming the premise I laid down is correct, do you then think a research program will help in the United States so that we can cut down production to compete with cheaply produced cotton goods throughout the world?

Mr. RANDOLPH. I am certain in my own mind, whatever conditions we may face in the future, that a research program is essential and necessary for the welfare of the farmers of this country.

Mr. ANDRESEN. I agree with you on that, but what I want to know is, do you think the research program will offset the new things we will be up against?

Mr. RANDOLPH. Even assuming your premise is correct, I hardly think it is possible to answer the question accurately. It is a matter of judgment. I think we should have a research program, whether it offsets or more than offsets.

Mr. ANDRESEN. Well, if we maintain a higher price level for textile goods—cotton produced in this country—do you think that we can succeed under the philosophy advocated by Under Secretary Clayton, who is going into the production of cotton in other countries?

Mr. RANDOLPH. Well, Mr. Clayton and I do not usually agree on cotton matters.

Mr. ANDRESEN. You do not agree?

Mr. RANDOLPH. Not usually.

Mr. ANDRESEN. You do?

Mr. RANDOLPH. Usually we do not agree.

Mr. ANDRESEN. Well, you know what he did, and his company did when they put a tax on cotton, and he immediately went out and urged the production of cotton in Mexico and Brazil and developed a world trade. Isn't that a fact?

Mr. RANDOLPH. I have heard that statement made. I do not know whether it is a fact or not. Personally of my own knowledge I do not know that it is a fact.

Mr. ANDRESEN. I think he admitted it. Mr. Pace's subcommittee held hearings on it.

Mr. PACE. Mr. Clayton was not here. I think the evidence shows they have financed foreign cotton industries.

Mr. PHILLIPS. If the gentleman will yield, I think there is no question of Mr. Clayton's interest in growing cotton over the Mexican line, below the border of Mexico.

Mr. ANDRESEN. And also in Brazil.

Well, I do not want to press you. I know you are interested in the American farmer. I hope you are.

Mr. RANDOLPH. I certainly am.

The CHAIRMAN. I think you have presented an excellent paper, Mr. Randolph. If there are no further questions, we certainly thank you.

Mr. PACE. I have just one question.

Mr. Randolph. I want to congratulate you on your statement. I think that is a splendid presentation.

Mr. RANDOLPH. I appreciate your comment.

Mr. PACE. There is only one thing I wanted to specifically refer to, and that is the inquiry made by the chairman, which is very pertinent, and that is the over-all failure of the cotton-textile industry itself to devote more time, energy, and money to cotton research. The fact is that the textile industry is interested in any commodity that will serve its purpose.

Mr. RANDOLPH. That is correct.

Mr. PACE. And through a generation or more they have been able to secure cotton, most of the time at less than the cost of production. They have had cheap production, splendid markets, and just rested. Isn't that about the situation?

Mr. RANDOLPH. More than a generation; for a long, long time.

Mr. PACE. Which today is where competing products have come in, and many of them have already abandoned that product upon which they lived, grew, and prospered for generations. They have turned to competing fibers without properly saying "good-by."

Mr. RANDOLPH. That is quite correct.

Mr. PACE. And that, of course, is the natural custom or the mercilessness of business. They would just as soon have rayon fiber as cotton fiber if it can serve their purpose.

Mr. RANDOLPH. I think from a commercial standpoint that is true. Many are sticking by cotton but others have gone away from it.

Mr. PACE. And for that reason it is necessary for cotton in a way to fight its own battles.

Mr. RANDOLPH. That is quite true. I think it is up to the producers largely and Congress. There are more producers than any other group interested in cotton, and their welfare is certainly of tremendous importance to the economic welfare of the Nation as a whole.

Mr. PACE. That is all.

Mr. HOEVEN. Mr. Chairman, I cannot understand why the textile manufacturers have not devoted more time, energy, and money to research on cotton.

Mr. PACE. May I point out that it is mainly because they do not have to.

Mr. HOEVEN. But it is admitted by the witness that they are clearly behind the times on that problem. Now it seems in view of the fact that rayon and nylon are coming on the market, that there should be some incentive; but apparently they have not devoted any time, attention, or money to such research.

Mr. PACE. There are some mills that almost individually have carried on individual research with their very limited resources.

Mr. HOEVEN. They have been able to do it financially.

Mr. PACE. As Mr. Randolph pointed out, the textile manufacturers have openly declared they are interested in research of all of them; not only cotton but any other commodity they can use, so they are devoting their research not to cotton alone, but to cotton and any other fibers that are suitable to their needs and can be made suitable to their needs. They are not devoting their attention solely to cotton. Therefore, as Mr. Randolph pointed out, it is imperative from the standpoint of the man down on the farm, who works in the field and produces the cotton, that somebody take charge and help him establish the good quality of his product.

Mr. HOEVEN. I want to do something for him but I cannot excuse the laxity on the part of the textile manufacturers who could not see into the future.

Mr. HOPE. It seems quite clear that the cotton producers recognize the competition but the manufacturers do not consider it.

Mr. HOEVEN. That is the very point I am making.

Mr. RANDOLPH. I think the point Mr. Hope mentioned there is that the most important answer to this question is that the textile mills have available to them quite a large number of fibers that they can spin. In some cases they require only slight adjustments to change from one fiber to another. Consequently, well they are not selfishly interested in carrying on this research.

Mr. PHILLIPS. Mr. Chairman, if that is a fact, as Mr. Hope sets out, that the cotton farmer himself is recognizing the situation, what is the cotton farmer himself trying to do through his organizations and the Farm Bureau?

Mr. RANDOLPH. The cotton farmers, along with other branches of the industry, have, under the National Cotton Council, raised a considerable sum of money to engage in the increased use of cotton, and that includes the services of the National Cotton Council which is now spending a considerable sum. I do not know how much it is, Mr. Hoeven, but it is certainly very small in comparison with the problem; and I might say that the mills are likewise raising money and they are spending some of that on cotton research, but all of that together from all agencies, public, private, State, and Federal, does

not amount to more than \$4,000,000, and that is only about one-seventh of what we estimate is necessary to get this job done.

Mr. PACE. The average cotton farmer in Alabama, after paying his fertilizer bill and securing a few clothes and school books, has very little to contribute to any research program.

Mr. RANDOLPH. It would be impossible to raise an adequate amount of money from the cotton farmers. In the first place they do not have it. In the second place, as I say, there are 2,000,000 of them. It has been a tremendous job to organize a few of them. I can bear witness of that and I think it would be practically impossible to get them all to make a contribution, even if they had the money.

The CHAIRMAN. Is the National Cotton Council an organization of the producers?

Mr. RANDOLPH. There are six branches of the industry, producers and merchants, spinners and warehousemen, and the gin men and the crushers.

The CHAIRMAN. The cotton people have been working through this research organization?

Mr. RANDOLPH. Yes, sir; that is one thing, this research organization.

The CHAIRMAN. They have a textile-mills organization?

Mr. RANDOLPH. Yes, sir.

Mr. CLEVINGER. I noticed in the testimony of the widow of the late Jim Reed, when she was testifying before the committee with respect to being unable to buy American textiles; the testimony was very interesting to me. She wanted to buy dress voiles for dresses and as usual the War Control Board or somebody else made it impossible for American manufacturers to produce sheer voiles and cotton dress goods. That is what she testified to in the Senate hearings, that she had wanted to place an order for 100,000 yards of voiles.

The CHAIRMAN. Was it an OPA regulation?

Mr. CLEVINGER. I can testify that there are many things that you want to look into. There are many things that manufacturers want to buy and they are unable to do so through regulations of the War Production Board, or whoever controls it and forbids the manufacture of them. They have forbidden the manufacture for such materials in this country because the mills under OPA regulations cannot produce. In other words, it was either the OPA or some other of those alphabetical agencies. Something should be done in relief of manufacturers who want to produce such goods where cotton is subsidized at \$20 a bale on its face. There has been a 4 cents a pound differential on cotton and you fellows did not do a thing about it. You have got a governmental organization which is crushing the cotton industry, and they are crushing it by just as unreasonable and just as unjust fiat as the one which prevented Mrs. Reed from buying American voiles and compelled her to go to England. You want to put the horse before the cart and find out what is wrong with cotton.

Mr. RANDOLPH. Mr. Chairman, I think Congress should do something about that, and in the present OPA bill is an amendment which would give us some relief. It is the Bankhead-Brown amendment.

Mr. CLEVINGER. Britain went into fine goods and she used to have a big market in India for the ordinary grade of cotton goods. Today we find India is one of the greatest producers of cotton goods and is also a cotton producer, and you are fighting now for about one-third

of the cotton business of the world; and not only that, but we are equipping Japan and we are also equipping China with modern machinery, and with their clever fingers there, it will not only establish competition with the American staple, but your textile people will also have competition.

Mr. PACE. Mr. Chairman, might I say on the basis of competition, it does not apply to cotton entirely. Last week I checked in the Department of Labor as to the wages to make cotton dresses, misses' dresses, and they reported to me that in the New York-New Jersey area, those who made up misses' dresses, the hourly wage was \$1.47 an hour.

Mr. PHILLIPS. Where is that?

Mr. PACE. That is in the New York-New Jersey area. They pay \$1.47 an hour to operators making misses' cotton dresses. Of course, as the committee knows, on the average the price the farmer receives per pound for cotton usually represents the wage he makes out of it. I would say that 25 cents is the average price of cotton, so while the farmer, the man who produces the cotton and seed—he is now getting about 25 cents an hour for working in the sun; and then you take his product and make it into a garment and those people are getting on the average, not the highest rate, but on the average \$1.47 an hour for whatever time that garment took. As a matter of competition, that is going to have a very considerable effect on whether our cotton goods go into the world markets. It was very striking to me to learn that the man who produces the raw cotton gets 25 cents an hour and the person who sits in a room and sews it together gets an average of \$1.47 an hour.

The CHAIRMAN. The other day a statement came over my desk from the OPA to the effect that if the OPA did not continue, cheap cotton dresses would increase from \$6 to \$25 each.

Mr. PACE. "Cheap cotton dresses?" I do not know of anything about that in the OPA bill. There are two provisions on cotton in the OPA bill, Mr. Chairman. One is that each major cotton item manufactured must reflect the entire cost of the raw cotton and other costs of production, plus a profit comparable to that in the period 1939 to 1941. The other provision is the one Mr. Randolph referred to, which I think is very helpful in the bill, which is an incentive provision to this effect, that every textile manufacturer who increases the use of raw cotton above 90 percent of a base period will be permitted to charge 5 percent additional for profit. That would mean there would be an enormous increase of over-all cheap dresses and other cheap cotton goods, because those are the big consumers of cotton. That amendment does not say increasing the quantity of garments but it says the increase in the use of raw cotton.

The CHAIRMAN. How would that affect the advance in price?

Mr. PACE. It would not.

Mr. POAGE. They would have to keep manufacturing the low-cost items.

Mr. PHILLIPS. If the gentleman will yield: Would the chairman suggest that the OPA statements are accurate?

The CHAIRMAN. No.

Mr. PACE. In regard to this amendment, I believe Mr. Randolph will agree with me that under this amendment there will be an enormous

increase in the manufacture of the heavier, cheaper goods in order that there might be a greater consumption of cotton.

The CHAIRMAN. All right; assuming that to be true, why should there be such an advance in the cost of cheap cotton goods?

Mr. RANDOLPH. There should not be, Mr. Chairman.

The CHAIRMAN. I could not see any reason for such a statement.

Mr. HOPE. Mr. Chairman, as I got that OPA statement, they seemed to base their reasoning wholly upon the ground that nobody would make cheap cotton goods if they could make high-priced cotton goods. Does your experience seem to indicate that would be the case?

The CHAIRMAN. Is there any reason why, if the OPA bill passes in its present form, that the manufacture of low-cost, low-priced commodities will stop and everybody will shift to the high-cost goods? I think under the terms of the bill passed by the Senate the reverse would be true, and there would be an enormous expansion of cheap cotton goods.

Mr. GATHINGS. I agree with you on that.

Mr. HOPE. But the OPA idea was based on the theory that nobody would make cheap goods.

Mr. CLEVINGER. I want to get you back to Mrs. Reed's testimony. She used to make cotton dresses to retail at \$2.95, \$3.95, \$4.95, \$6.95, and \$8.95, and OPA tried to keep her right there. She probably led the country and had about 1,500 employees in St. Joseph and Kansas City because she was a clever stylist. Now the OPA comes along and they want to give her only a very moderate increase in her price. They set it at a price she could not operate on. Then comes along a new fellow with no record back in 1943 and 1944, and he can turn dresses out for \$16.95 at the ceiling given him, whereas they are not near as good as the dresses Mrs. Reed turned out for \$6.95, and if she had been given a dollar more to cover her increased cost rather than 5, 10, or 15 cents, she could have made far superior dresses for \$7.95, than the new man setting up getting \$16.95 for an inferior product. OPA would not give a decent increase to an operator who knew how to make first-class goods, but was willing to let a new person set up and make three or more times as much.

The CHAIRMAN. And right in that connection, if they had given Mrs. Reed a reasonable profit, in all probability she would be putting those dresses on the market at a cost a good deal under what is now being asked.

Mr. CLEVINGER. They were talking pennies to her after they had given the outsiders a \$16.95 ceiling. If they had permitted her to increase her price from \$7.95 to \$8.95, she could have produced with her big organization thousands of cotton dresses; but instead they favored a gyp manufacturer who turns out \$16.95 dresses which are of an inferior quality. They would not permit Mrs. Reed to operate at a reasonable profit, with her labor all available and the know-how, and so they put her out of production while they favored a "sharp-shooter."

Mr. HOPE. This is for the benefit of all the American people. It is not confined just to the textile business.

Mr. RANDOLPH. That is correct. This is in all fields.

The CHAIRMAN. Isn't that the situation, Mr. Randolph?

Mr. RANDOLPH. According to my experience it is, and my opinion is that that is the situation.

Mr. CLEVENGER. I am giving this as a matter of preknowledge of the situation in the country and we should know it. It is true.

The CHAIRMAN. We thank you, Mr. Randolph.

The next witness is Mr. Malcolm E. Campbell, dean of the school of textiles, North Carolina State College, and president of the National Council of Textile School Deans.

STATEMENT OF MALCOLM E. CAMPBELL, DEAN OF THE SCHOOL OF TEXTILES, NORTH CAROLINA STATE COLLEGE

Mr. CAMPBELL. Mr. Chairman, my name is Malcolm E. Campbell and I am dean of the school of textiles, North Carolina State College, and president of the National Council of Textile School Deans. I am chairman of the raw cotton section of the American Society for Testing Materials. In the following statement I shall discuss the need for and the benefits to be derived from enlisting the aid of agencies outside the Federal Government to carry on certain phases of research on the utilization of cotton.

The urgent need for an intensive and extensive program of research on cotton utilization has already been established, and should require no further amplification at this point. The United States Department of Agriculture maintains and operates excellent laboratories for research on cotton. However, because of the enormity of the problem, even these facilities are very inadequate in size and scope to deal with the tremendous number of problems which need to be solved if cotton is to meet the competition which it now faces from other fibers. It would appear both logical and practical, therefore, to utilize all of the other available research facilities in this country which might throw their combined weight into the battle for cotton. If these facilities, which represent a considerable potential force, are directed toward the common problem through an integrated program of research, it is inevitable that much good will be accomplished on behalf of cotton within a reasonable length of time. Furthermore, these facilities are to a large extent already available and could probably be thrown into action in a relatively short time. The time element is of great importance because even now the justified research program for cotton is behind schedule as compared to that of competing fibers.

The laboratories and organizations to which I refer may be classified as public, semipublic, and private enterprises. Among the public organizations possessing facilities and personnel that could be used for cotton utilization research are the 10 textile schools of college level in the United States, incidentally five of which are in the cotton South; such institutions as the Massachusetts Institute of Technology, the University of Tennessee, and the University of Texas; and the chemistry, physics, and engineering departments of many other colleges and universities. In the second group, which are semipublic in nature, can be included the Institute of Textile Technology, the Textile Research Institute, and the Mellon Institute. Within the group described as private organizations may be listed the Milton Harris Associates, the Callaway Institute, and the Fabric Research Laboratories, among others. All of these organizations possess laboratory facilities and personnel adequate for certain specific types

of research on cotton utilization, the combined efforts of each should produce a powerful force that would supplement the useful work in this field now being carried on by the United States Department of Agriculture. Without the impetus and stimulus that this proposed bill would provide, there is every reason to believe that these agencies, on the whole, will have no special concern for the utilization of cotton as such, but rather that they will give their emphasis to the utilization of other fibers which are more adequately financed.

To give a somewhat clearer picture of the personnel and facilities available in the textile schools, I shall describe briefly the research organization with which I am most familiar, the School of Textiles at North Carolina State College. The caliber of men available for consultation and direction of a research program is perhaps of greatest importance. At this institution the director of textile research is Dr. Frederick T. Pierce, formerly director of the Department of Physics and Testing of the Shirley Institute of England, which incidentally is the oldest and largest textile institution in the world. Dr. Pierce was largely responsible for the development of the so-called Shirley cloth, a type of cotton fabric used with considerable success by the British and United States Armies during the war. Prof. Elliot B. Grover and Mr. George H. Dunlap, scientifically trained men with a practical knowledge of the textile industry, made a marked contribution to the war effort through their investigations of cotton card production, a report of which was prepared by the School of Textiles and published by the Textile Research Institute. Prof. Clarence M. Asbill, Jr., a mechanical engineer is our research professor of textile machine design, and formerly was connected with the Southern Regional Research Laboratory in New Orleans. He is recognized as an expert in this field because of his contributions to the development of new and improved cotton processing equipment.

In addition to these men the staff is composed of technicians and engineers with reputations for accomplishing worth-while results in the fields of fundamentals and applied research on cotton.

The facilities of this school include an applied research laboratory equipped with both full scale and modified cotton manufacturing machinery, and physical and chemical laboratories embracing a wide range of modern testing instruments and apparatus. In addition to the personnel and facilities within the School of Textiles, the staff has access to and cooperates very closely with the School of Engineering, the School of Agriculture, and the North Carolina Agricultural Experiment Station.

In addition to that I would like to point out that our staff members in the school are constantly in close contact with the industry in North Carolina and surrounding territories.

Such an organization should, I believe, be able to accomplish much of value if it were part of a coordinated, adequately financed research program on cotton utilization. However, it is only one of the sizable group of research organization mentioned. Many of the others are well equipped both as to research personnel and equipment, each with its own field of specialization either in fundamental or applied research.

There are many types of problems which these research laboratories could attack with a practical certainty of obtaining fruitful

results. For example, it is a well-known fact that cotton fibers possess many inherent characteristics not found in competing fibers. It is also very well recognized that the cotton textile industry is not at the present time utilizing these fiber qualities to the fullest. It should be possible, through an adequate research program to develop new and improved cotton fabrics, scientifically designed and developed to meet more adequately the end uses for which those fabrics are required. For example, it is the only fiber I know of that is practically as strong wet as dry, which cannot be said for many of the rayon fibers.

The cotton textile industry is bound by many age-old traditions both as to the quality of fiber required for its many products and for the construction of its fabrics. It is customary, for example, to produce denims for work clothing and cotton duck for awnings from cotton of relatively low quality—say, Strict Low Middling 15/16-inch staple. To what extent would these products be enhanced in serviceability if they were produced from fibers of higher quality, specifically indicated by research? How much could their value to the consumer be increased if these particular fabrics were spun and woven according to specifications and design proven superior by research? Similar questions may be asked about other fabrics, such as sheeting, shirting, tire fabric—in short, all kinds of textile materials ranging from the strictly mechanical through to the most “esthetic” types of goods.

The answers may be found by taking successive steps involving the selection of cotton of the particular qualities desired; the design of yarns and fabrics of perhaps several different constructions for a given use; the manufacture and testing of small samples in the pilot plant and laboratory; the production of suitable supplies of each type in an appropriate commercial plant; and the service testing of the final product under adequately controlled conditions in cooperation with public institutions.

I want to explain something else because I think that it would be of interest to you. The textile manufacturer who wants to use staple rayon for a product can specify to the producer of the rayon the characteristics of the fiber he wants. He can specify the weight and within limitations the strength. He can specify the fineness and the spinning. In other words, he can purchase knowing the quality he can get, as to the quality of the fiber he needs for his specific purpose.

The Department of Agriculture for a number of years has worked on problems connected with quality—cotton quality—and through the work of the Department ways and means have been developed for measuring and recognizing the characteristics of cotton fibers—length, strength, fineness. All of the methods that have been developed by the Department of Agriculture are available to anyone in the industry, and many literally are making use of those methods, but very little is known as to the type of fibers needed for specific end-uses or what the relationships are between those three preuse properties and the properties of the finished products. A great deal of research needs to be done for the cotton industry to keep up with the rayon industry, on what, I think, is exactly a parallel case.

In each case, control samples representing the conventional product would be included in the study for comparison. This is an illustration of only one type of work that could be accomplished through “contract” research. The field of practical problems that need to be

solved is virtually unlimited, ranging from a better understanding of the fundamental properties of cotton fibers to the development of entirely new cotton products, for example such as unspun, unwoven fabrics for throw-away utility articles, to plastic-impregnated cotton for structural purposes and building materials.

During the war the practical value of textile research on a contract basis was amply demonstrated in the results obtained in this way by the Quartermaster Corps, the War Production Board, and other agencies. Problems were analyzed, projects were established, and useful results obtained in time to help win the war. These additional facilities which have been mentioned, supplementing the research of the United States Department of Agriculture, should give a diversification of thought and effort which when integrated into a single overall program of cotton utilization research would do much to improve the position of cotton as one of the outstanding fibers and agricultural products.

The CHAIRMAN. What is meant by "public institutions"?

Mr. CAMPBELL. "Public institutions" would cover hospitals, prisons, orphanages, and institutions of that type.

The CHAIRMAN. Thank you, Doctor. You have made a splendid presentation.

Are there any questions?

Mr. GATHINGS. I would like to ask Dr. Campbell just what is "Shirley cloth."

Dr. CAMPBELL. It was a water-resistant fabric developed in England for use by the British and American forces. It was used for uniforms to meet a need for a type of material where resistance to water was important. It was approached through an entirely different avenue, the development of that fabric. It was looked upon as an engineering project. They knew what the requirements of the finished product were, and then using engineering methods they began at the beginning and developed theoretically the type of fabric they needed, and the result was an extremely interesting and very useful fabric for materials requiring resistance to water.

Mr. GATHINGS. Thank you.

The CHAIRMAN. Have the British gone into the research on a larger basis than we have in America in regard to cotton?

Dr. CAMPBELL. Yes, sir; I believe they have. I do not have figures available but Shirley Institute in England is perhaps larger than the combined research laboratories working on cotton in this country, and it is considerably older than any of them.

Mr. PACE. Mr. Chairman, the witness mentioned the fact that the rayon processor can order a rayon fiber at any staple length he desires, say, $\frac{7}{8}$ -inch, $1\frac{1}{8}$ -inch, or $1\frac{1}{5}$ -inch, and every fiber is exactly that length, which is very desirable from the standpoint of the finished product.

Dr. CAMPBELL. Yes, sir.

Mr. PACE. Now about the only way the cotton farmer can meet that type of competition is through the one variety of cotton; is that not so?

Dr. CAMPBELL. Yes, sir; I would like to comment on that, if I may.

Mr. PACE. Yes.

Dr. CAMPBELL. It is a well-known fact which has been proved by the United States Department of Agriculture and the State experi-

ment stations that the quality of cotton fiber is determined almost entirely by the variety of the seed that is planted. There are a number of varieties now being grown in this country that possess a particular combination of fiber and they all differ among themselves, and you can get a fairly consistent set of fiber production within a given variety. Information has been developed and published showing what the varieties are and where they may be obtained, so that the cotton manufacturer has at his disposal information similar to that in regard to the rayon fibers. The cotton manufacturer can select a certain strength cotton of a particular length. He can select a variety and have definite knowledge ahead of time that he will get almost what he wants. He must know how to make the best use of those fiber products.

Mr. PACE. But is it not true that for both the domestic textile industry and the export trade, either one can develop the type of fiber needed and then can bring about that type of fiber by a one-variety program built around the needs of the industry? In other words you could plant a certain variety to give you a cotton fiber of a certain length, strength, and quality. So you must determine what the industry wants or the export trade wants and then try to turn out a one variety program and meet the actual needs of the industry.

Dr. CAMPBELL. Yes, sir; and carry it one step further and make sure adequate supplies of the one single variety are made available.

Mr. PACE. That is exactly what I said. You want to find out what industry wants and grow the cotton that the industry wants.

Dr. CAMPBELL. Yes.

Mr. HOPE. You speak of a one-variety program. What you mean is one variety for different types of cotton needs.

Mr. PACE. Suppose industry wanted 2,000,000 bales of 1-inch cotton of a certain variety. Then the plan would be to try to develop certain qualities in a one-variety program. You would have to get the seed for that one-variety program and develop the seed and select the area where that variety can be best grown and get the best results, and plant that acreage to meet that particular demand. Then there will be a type of industry that will want $\frac{3}{4}$ -inch fibers, and then you would turn to a one-variety program of that type.

Mr. HOPE. You want to develop that both from the standpoint of yield to the farmer.

Mr. PACE. Right.

Mr. HOPE. And you also want to have it developed from the standpoint of quality of fiber.

Mr. PACE. Yes, sir.

Mr. HOPE. For the benefit of the industry.

Mr. PACE. That is right.

Mr. GATHINGS. Cannon towels want cotton from a particular area. They send their representative to that particular area to get the type of cotton they want.

Mr. HOPE. How far has that program been carried?

Mr. PACE. The one-variety program is on the way in, in a small way; only in certain sections of the country is the one-variety program being followed at the present time. We think it ought to be Nation-wide, and that all cotton should be planted and produced on a previously ascertained basis. There are some sections, you should under-

stand; for instance, there are sections of Mr. Poage's country which cannot produce more than $\frac{3}{4}$ -inch staple on account of the weather and other conditions. But I am thinking of a section that can grow and produce $\frac{3}{4}$ -inch or 1-inch staples, and when that is established, that is what should be grown there.

Mr. HOPE. Well, up to date, I take it, you have demonstrated that is a practical program and it can be done, but it has not been carried out very extensively.

Mr. PACE. It not only demonstrated increase in yield, but increased return to the farmer. The mills will buy more if they know what they are getting and if they are assured that it will run from $\frac{3}{4}$ -inch to $1\frac{1}{8}$ -inch.

Mr. HOPE. But that still leaves ahead of you a vast field in the production of new varieties.

Mr. PACE. We have just begun that work.

The CHAIRMAN. We thank you, Dr. Campbell.

The next witness will be Mr. H. L. Wingate, representing the Farm Bureau Federation.

Mr. PACE. Mr. Chairman, the farmers of Georgia, in my opinion, have a great leader in Mr. Wingate. He is one of the directors of the National Farm Bureau Federation and he has been making a great fight in that, and I predict that his leadership in farm organizations will grow as the years go by and this committee and I will work with him.

Mr. WINGATE. Thank you, Congressman Pace.

STATEMENT OF H. L. WINGATE, VICE PRESIDENT, NATIONAL PEANUT COUNCIL; AND DIRECTOR, NATIONAL FARM BUREAU FEDERATION

Mr. WINGATE. Mr. Chairman and gentlemen of the committee, I am H. L. Wingate, chairman of the National Farm Bureau Federation. I happen to be vice president of the National Peanut Council and I am here to make a statement about the peanut situation, but I would like if I may to preface my remarks for peanuts with a short statement going to back up the cotton program, in which we are vitally interested, in reference to one variety.

In Georgia this year we had one community in Walton County, where they have carried on a one-variety program for 8 years. They have doubled their yield within the 8-year period and are producing a product that is selling for a higher price because of the fact that they are producing one variety, and the mills know when they go to this community in this county, the entire county is on one variety. But this community won the State prize this year for one variety.

The CHAIRMAN. They not only increased the yield but increased the selling price?

Mr. WINGATE. Yes, sir; that is it. In other words, the average about 8 years before the program started of having one variety, the average yield was 249 pounds per acre. This year the average yield was 526 pounds. Eight years ago they planted approximately 52,000 acres of cotton and produced approximately 26,000 bales of cotton. This year they planted approximately 26,000 acres of cotton and pro-

duced over 26,000 bales. I just mentioned that to back up the one-variety program and what research can do along those lines.

Mr. HOPE. In this particular area that variety has been very successful. You have in mind also that in some other areas you might want to develop some other entirely different varieties.

Mr. WINGATE. Absolutely. Congressman Pace made the statement that there are other sections that would produce other varieties that are needed, and those sections should be located and emphasis should be placed upon the particular variety which produces best in those particular areas. I think it is very important.

Gentlemen, I do not have a prepared statement.

The CHAIRMAN. Before you get to that, I am interested to know what organization instituted that cotton program in that particular area.

Mr. WINGATE. The Extension Service through the experiment stations. It is part of the research program that is now going on. I do not know of a bill that the farmers as a whole are more unanimously in agreement upon than they are on this research bill. In discussing this matter in general, farm organizations and commodity organizations—they seem to be absolutely in agreement all the way around on this research.

We feel that the research bill will be worth as much, if not more, to the consuming public than it will be to the farmers themselves.

The farmers, of course, are vitally interested in receiving a fair profit from their returns; and it is not a question of a high or a low, but it is the profits which they receive from it, and we feel through the research program we can produce food much more cheaply than we are producing it now, and at a fairer price perhaps.

We have recognized the fact that we do not have so much overproduction as we have underconsumption, and that will play a very important part in the program.

Now we are very much interested in this research in peanuts. We think it is very, very important because of the fact that it is practically a new crop, and we have in the past 6 years trebled and practically quadrupled the acreage and the yield in peanuts. It has become one of our major crops in the Southern States, and we feel that with the proper research carried on that there will be no need for any reduction in acreage.

Those of you who are familiar with the facts will remember that last fall the Department of Agriculture was very much interested in reducing the acreage of peanuts or placing control on peanuts because they thought there would be a tremendous surplus of peanuts this fall from this crop. As it turned out that is not the case. Peanuts are a very, very valuable food and the people realize that it is a cheap food and they are using it, and it is my opinion that with a proper research program carried out that we will increase the consumption of peanuts tremendously from what we have today.

Peanuts have grown to a point that last year the income of farmers of the peanut-producing States reached the figure of approximately \$170,000,000 to \$175,000,000. It is a crop that I never dreamed would go as far as it has without more work having been done along the lines of research. In regard to feed, we have had very, very little work done

on a peanut-feed program, and for a crop of this size we are amazed. We feel that has been very important because of the yield in peanuts, not increasing over a period of the past few years as we have in other crops. In other words, in the past few years there has been practically no increase in the yield per acre for peanuts.

Now another very important factor in the peanut industry is disease. Being a new crop, we now are encountering many new diseases that are coming in, and research is very, very much needed along this line. We have what is called concealed damage and the like, and we have no control over it. There is research being done along this line and it is believed by those doing the research work that something can be done to do away with it. Normally there is no way to determine what concealed damage is there inside of the peanuts, and we feel that we can produce varieties that will grow this concealed damage out of the peanuts.

Now we have to contend with the No. 2 peanut in this program, which splits. It comes about from picking the peanut and shelling, and that is a very important part of our program that we are disturbed over.

We feel that with the proper research on oil at the present time, that peanut oil is one of the highest quality oils that we have. We recognize the fact that peanut oil is used altogether on submarines and airplanes where you cannot have the fumes. It is an oil that is very important. So we feel that with the proper research along this line that the oil developed from the peanuts can be worked up to a point where we can put it out at a great price. Peanut oil is of a fine quality as olive oil.

Now these No. 2 peanuts are split. Well when you split a peanut it has an oily inner surface which picks up dust and trash, and it is hard to remove this trash from the peanut. It is just as good a peanut as the one that is not split, but there is no way to work it into a high-quality food by removing the trash or the dust from it, and so it has to go into oil.

The CHAIRMAN. By proper research you think you would be able to produce peanut oil at a price that would compete with imported foreign oil?

Mr. WINGATE. I believe we can; we do not know.

Mr. PACE. You certainly would be able to put peanut oil in a class where its quality is entitled to be.

Mr. WINGATE. Yes.

Mr. PACE. There are thousands and thousands of pounds of peanut oil sold today as olive oil.

Mr. WINGATE. That is right.

Mr. PACE. Because it has practically the same qualities and should bring a comparable price.

Mr. WINGATE. That is right.

Mr. PACE. I think a little research on the refinement of peanut oil would bring results.

Mr. PHILLIPS. You do not mean that peanut oil would be sold for olive oil?

Mr. PACE. I think in the last 4 years many gallons of peanut oil have been sold for olive oil.

Mr. JOHNSON. I have seen dozens of counterfeit supposedly imported cans filled with olive oil that were actually filled with peanut oil, and that has been done for over 15 years.

Mr. PHILLIPS. Do you mean that the cans even were counterfeit?

Mr. JOHNSON. They were imitation cans, supposedly representing Italian olive oil, and they were sold apparently as a foreign product, as olive oil; and it was only peanut oil. They disposed of a lot of it; and that practice has been going on for 15 years, at least. There is no question in my mind but what peanut oil would be a complete substitute for olive oil.

Mr. HOPE. What is the difference?

Mr. PACE. Peanut oil is sold in competition with cottonseed oil at 13 cents a pound.

Mr. HOPE. What is the price of olive oil?

Mr. PACE. Fifty or sixty cents. They are getting $12\frac{5}{8}$ cents for the regular oil and 13 cents top; in other words, an increase of three-eighths of a cent a pound.

The CHAIRMAN. Is that OPA ceiling?

Mr. PACE. Yes.

The CHAIRMAN. The OPA does not know very much about peanut oil.

Mr. PACE. We told them but they refused to listen.

Mr. Wingate, as I get your testimony, it is as follows: There is a critical need of research on peanuts from the standpoint of feed.

Mr. WINGATE. That is right.

Mr. PACE. And also with respect to the use of peanuts for oil and also for food.

Mr. WINGATE. Yes, sir; that is right.

Mr. PACE. There is need for research on fertilization of peanuts, of which there is practically no knowledge today.

Mr. WINGATE. None whatsoever.

Mr. PACE. And there is need for research on diseases.

Mr. WINGATE. That is right.

Mr. PACE. And then there is, of course, other research needed on the uses to which peanuts could be put.

Mr. WINGATE. That is right; utilization. There is also great need for study, gentlemen, on the preservation of peanuts from the time they go into storage; moisture and damage they suffer from insects that attack them after they are stored. The loss is very heavy along that line and there is work being done on that. That is a very important part of the program, also.

Mr. HILL. Most of my information about peanuts is wormy peanuts and lousy peanuts that they sell out at the ball games.

Mr. WINGATE. Congressman, it is a funny thing that even with the worm, you very seldom find a fellow throwing down a bag of them. He will clean them up.

Mr. HILL. That is an argument for the peanuts and not for the worm.

Mr. PHILLIPS. I would like to ask what is the total income from peanuts in the United States. We were told that the total income from cotton was $1\frac{1}{3}$ million dollars.

Mr. WINGATE. It is about \$170,000,000 to \$175,000,000.

Mr. PHILLIPS. Can the industry do any research for itself?

Mr. WINGATE. I was going to touch on that point. The National Peanut Council, which is composed of all sections of the industry—farmers, shellers, manufacturers of peanut butter, and confectioners—

all of them together have formed an organization known as the National Peanut Council, and that is one of our main objectives—research. It is not a political organization; it is strictly an organization to promote the use of the peanut through research, advertising, and promotion.

Mr. PACE. I might add, Mr. Chairman, that they have gone to this extent—Mr. Wingate is practically the head of the tribe. We are trying to get each peanut grower on taking peanuts to the mill to agree to pay 25 cents on his load of peanuts, to be turned over to the National Peanut Council to be used for research purposes, but I am sure you can understand how difficult it is if a man who has made only 1 ton of peanuts goes to the mill, to ask of him 25 cents. If you do ask him, he will hesitate, and while we are trying to get \$1,000,000 over a period of 30 years, it has been most difficult.

Mr. WINGATE. Yes, sir.

Mr. PACE. We are trying to do some research.

Mr. WINGATE. I would like to say this, Mr. Chairman, that the farmers are very much interested. They want to do this job. They want to cooperate in this research program because they realize it is going to mean the life of the peanut industry, and they are ready to cooperate in the program, but it is just impossible for us to raise the money that is necessary to do the job.

Mr. PHILLIPS. Are there any importations of peanuts now?

Mr. PACE. Not at this time.

Mr. PHILLIPS. You have a 7-cent tariff on peanuts?

Mr. PACE. That is shelled peanuts.

The CHAIRMAN. Mr. Wingate, do you desire to testify on tobacco?

Mr. WINGATE. I want to add just one other thing on peanut research, Mr. Chairman.

There is very much need for research in the mechanization of this product. That is a very important factor in the production of peanuts. We have not a mechanized industry. We are making progress on it, but because of the different types and the way the crop grows and everything, it is very hard to get machinery that will harvest this crop; and there is much need for work along that line which will reduce the cost of production tremendously.

The CHAIRMAN. Are the farm-machinery people working on that?

Mr. WINGATE. Yes, sir; and the National Peanut Council through its program is cooperating and working on this very thing at the experimental station at this time.

We feel that, just as an over-all statement, the farmers cannot afford, with the tremendous debt that we have on us, we cannot go into another depression, and we feel that if consumption—that is, where there are good wages, fair profit to farmers, and fair profit to industry, that we can continue to move forward with the consumption of practically all of our farm commodities. As we stated before, it is not a question of overproduction but it is a question of underconsumption, and we are going to have to maintain a pretty full employment in this Nation if we move forward, and pay off this debt; and we feel that this research program, this over-all research program for the farmers, will go forward toward keeping a balanced economy in agriculture which will do more, I think, than anything else in carrying out the objectives of our country.

The CHAIRMAN. I have you down here as spokesman on peanuts and tobacco.

Mr. WINGATE. Yes, sir.

Mr. PHILLIPS. May I ask a question first?

How many States are peanut-producing States, like Georgia?

Mr. PACE. The present peanut-producing States are Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, California, Texas, and I think, some are produced in Oklahoma, Louisiana, and Arkansas.

Mr. WINGATE. I think there is quite a bit of work that can be done on the tobacco program; that is, so far as diseases and improvement of varieties, and also for new uses in tobacco other than the smoking of it; and we just feel it would be very important as that part of the research program certainly will mean much to the tobacco growers, who are vitally interested in the research program.

Mr. GATHINGS. Mr. Chairman, I would like to ask Mr. Wingate a further question about the growing of soybeans.

Mr. WINGATE. We grow a few, quite a few of them.

Mr. GATHINGS. Do you qualify as a witness to testify on the need for research in soybeans.

Mr. WINGATE. Well I am not because I have not grown any; I have been working with the soybean producers who are very much interested in it, and in fact I understand the Department of Agriculture has had \$70,000 a year appropriated to do some research work on diseases and the like for soybeans since the war program started, which is a considerable sum. The most ever appropriated for peanuts was \$10,000.

Mr. GATHINGS. I am of the opinion both crops are important.

Mr. WINGATE. I stated that the War Department thought it was very necessary for work to be done along that line.

The CHAIRMAN. One of the common diseases of tobacco is blue mold.

Mr. WINGATE. Yes, sir.

The CHAIRMAN. And we need to do a lot of research work in order to eradicate that disease.

Mr. WINGATE. Yes, sir.

The CHAIRMAN. Now there was a bill introduced by Mr. Hope with special reference to marketing, which would cover our exportation and developing foreign markets for tobacco and other farm products. I think that has been a greatly neglected part of our exports.

Mr. WINGATE. Yes, sir.

The CHAIRMAN. I do not think that they have ever given proper consideration to the exportation of American tobacco and building up new markets.

Mr. WINGATE. That is right; and, Mr. Chairman, I would like to make this statement in reference to tobacco: I think tobacco certainly needs consideration, because it is my information that from the tobacco States—that is, the grower and the wholesaler—we collect approximately \$1,000,000,000 a year of our revenue.

The CHAIRMAN. That is true. It contributes more than any other commodity. In fact, it contributes more than all other commodities put together.

Mr. WINGATE. That is right. In our experimental program the study of diseases of tobacco is a very important factor.

The CHAIRMAN. I think, Mr. Wingate, you have made a splendid statement.

Mr. GATHINGS. I was going to ask, Mr. Chairman, if you would have someone see in regard to research on soybeans.

The CHAIRMAN. I haven't anyone down here, but I would be glad to have someone appear.

Mr. GATHINGS. When the next witness comes on I would like to ask him in regard to soybeans.

The CHAIRMAN. Mr. Danfield (?) filed a statement. I think he covered it. It is filed with the clerk of the committee and you can look at it here.

The CHAIRMAN. We have another witness, Mr. Leon Todd, chairman of the national poultry committee, American Farm Bureau Federation, from New Jersey.

Mr. OGG. Mr. Chairman, Mr. Todd was here last week but was unable to stay. He has left his statement with me and I will be glad to submit it. He expects to come back later.

The CHAIRMAN. Without objection, his statement will appear in the record at this point.

STATEMENT OF LEON TODD, CHAIRMAN, NATIONAL POULTRY COMMITTEE, AMERICAN FARM BUREAU FEDERATION

Mr. TODD. Mr. Chairman and gentlemen of the committee, during the past 15 years the poultry industry of the United States has established itself as one of our major food-producing industries. The expansion of production for war needs is being adjusted so that the breeder, the hatcheryman, and the producer has become, more than ever before, an established part of American agriculture. Furthermore, every phase of this industry has capable and practical leadership which is interested in the welfare of poultrymen throughout the country.

It is natural to expect problems of major significance to manifest themselves in an industry which has had a substantial growth and which is recognized as being of more importance in the future than it was in the prewar days. We are concerned in this discussion with only the broad fundamental problems which will contribute to the progress of food production and distribution in the future.

Much attention is being given to improving both the productivity and the quality of poultry meat. Our industry is genuinely interested in producing a bird which yields a higher percentage per pound of live bird. Progress has been made in this direction; however, we are lacking in the knowledge of the genetics associated with this problem. For example, we want to know more about the inheritance of a larger proportion of white meat. The addition of new genetic factors in any breeding program is sure to introduce new problems or revive old ones; therefore, fundamental research work on the entire problem of improving the type and quality of the poultry produced for meat is of practical importance to breeders, hatcherymen, producers, distributors, and consumers.

To illustrate our concern of this problem, poultrymen have requested the Bureau of Animal Industry to develop such a research project. We are vitally concerned with this request.

Also of importance in the development of hybrid stock to increase both meat and egg production is the need of facilities for determining the strains or families which produce most efficiently and also to compare them with the efficiency of pure breeds. This project is also of significance in producing eggs and poultry meat at a lower cost.

The industry has also requested the Bureau of Animal Industry to develop a project on studies to improve the fecundity of broad-breasted turkeys. As the reproduction ability of this type of bird is improved, the price of turkey dinners can be lowered.

Our industry wants to be prepared with fundamental knowledge so as to successfully handle major disease problems and to prevent further spread of such comparatively new infections as Newcastle disease. Recently, a request was made for \$30,000 for the erection of quarantine buildings so that research work can be carried out to determine the means by which this disease is spread and \$70,000 to provide funds for the Bureau of Animal Industry to cooperate with existing State agencies in determining the occurrence of Newcastle disease to work in States where neither State personnel nor facilities are available to determine whether the disease occurs in such States; to cooperate with the appropriate State agencies which have qualified poultry pathologists to develop vaccines and to determine their effectiveness in the control of this disease; to provide funds to further coordinate a Federal-State program to bring about a practical solution to this potentially serious problem.

It is expected that the \$30,000 appropriation will be granted for the 1946-47 fiscal year, but most unfortunately, the \$70,000 emergency appropriation has not been reported favorably.

We are using Newcastle disease as an example of the importance of having sound research work done in advance of more widespread occurrences of any disease, thus avoiding the urgency of emergency requests for funds to try to catch up with the spreading infection.

Poultry consumes annually about 2,500,000 tons of protein concentrates, while 15 years ago the annual consumption was about 1,000,000 tons. The increase is due to the utilization of new products. Several of these protein products need to be supplemented with other ingredients to give efficient results. It is estimated by poultry nutrition experts that the loss due to inefficient protein utilization amounts to about \$10,000,000 annually under present feed prices. This loss is reflected to a large number of persons since poultry is kept by most farmers.

We hope that additional projects on the utilization of proteins can be established at the National Research Center to supplement the splendid work which has been done at State experiment stations.

Artificial lighting has been used for some years to increase the rate of egg production, especially in the fall and winter, the period of the lowest total production. There is need for research on all phases of light rays as they affect egg production. Most of our research to date has been the practical application of light rather than the reasons for the effect of light rays on poultry. More effective and more widespread use of lights would help to give poultrymen more economical production, which would mean lower costs to consumers.

The poultry and egg industries have both started some work which will improve and in one or two instances almost revolutionize the processing and distribution of our products. There is an urgent need for research in the processing of poultry meat, especially in the direction of eviscerating birds at the lowest possible cost. It is evident now that cut-up poultry, and even precooled poultry, will have an important place in the menu of the American family. Once more economical methods will help the producer and bring about a saving to the consumer.

The returning soldier demonstrated the desire for top-quality eggs—usually sunny side up. The egg producer needs to have more knowledge of egg quality and egg merchandising so as to get the product to the consumer in the best possible condition.

Methods of packing and merchandising should certainly come in for their part of a sound research program. At present leaders in the poultry industry are working with the Poultry Branch of the United States Department of Agriculture to assist in the development of improved grades for eggs and poultry meat and to make official grading uniform throughout the country. Official grading of these products will be on a strictly voluntary basis.

In conclusion, we wish to report to the Congress that leading poultrymen throughout the Nation have come to recognize the true value of sound research work. Their interest is principally in the basic problems, such as genetics, nutrition, efficiency factors, disease control, and quality and distribution.

The poultry industry supports the aggressive program for research being sponsored in these hearings and urges favorable consideration be given the proposals by the Congress. Poultry and egg producers do not ask for more than their proportionate share of the research funds, but believe that a more adequate and equitable research program for this industry will be a sound investment for American farmers, most of whom are egg and poultry producers, and for consumers as well.

MR. POAGE. Mr. Jackson is here representing the people in Texas, and I would like to say that he has suggested, and I want to endorse what he has said for other groups in Texas that I know of, and I have received a number of communications from various organizations in Texas, that they are wholeheartedly in favor of this legislation. Our entire State of Texas has started a small-scale research program, and the results thus far have been excellent; and we therefore endorse this national program. They have put up some money for a research program on cotton, and they have developed a program that has been limited in its activities because of the lack of money.

We have recognized the importance of this research in the State of Texas, and we feel that this is the thing that we should do on a national basis.

MR. OGG. Mr. Chairman, I have been requested by Mr. Schenck, from the State of Indiana, to present a statement on his behalf. He is representing the grain and livestock industry of the Middle West.

THE CHAIRMAN. It may be inserted in the record at this point.

STATEMENT OF HASSIL E. SCHENCK, REPRESENTING THE INDIANA GRAIN AND LIVESTOCK INDUSTRIES

Mr. SCHENCK. Mr. Chairman and gentlemen of the committee, I come from the great grain and livestock area. I operate a family-sized farm in central Indiana. I produce and market hogs, cattle, sheep, and dairy and poultry products. All feeds produced on my farm are marketed through these livestock channels. That is quite generally true of most farmers in that area, with about 85 percent of all corn fed on the farms where produced.

Indiana is a State of small farms, the average being slightly over 100 acres. Farms of over 500 acres constitute 0.8 of 1 percent of our total. I make these statements to indicate the impracticability, if not the impossibility, of anything like a constructive research program promoted by the farmers themselves. Farm wealth in our area is almost wholly decentralized, made up of hundreds of thousands of small units. This is in great contrast with industry, where oftentimes hundreds of thousands become investors in stock in industry with greatly concentrated wealth. This makes possible the carrying on of constructive and high-cost research in the fields of most industry because of this concentration of wealth.

I wish to outline briefly some of the possibilities that lie ahead of us in the fields of soil and soil practices; tillage machinery; production; harvesting machinery, new processes in not only harvesting but in curing, storing, and processing; improved feeding practices; development in livestock varieties and types; new crops; new uses of existing crops, and so forth—all of which have a direct bearing on successful grain and livestock farming, food production; improved diet, with a consequent better health condition among our populace, and an enhancement of the wealth of our Nation.

In recent years research in certain crops has been carried to the point of revealing the almost unlimited possibilities that lie ahead. A decade and a half ago, hybrid seed corn was practically unheard of. Today it is almost universally used, with each succeeding year finding greater and greater progress in this development. But little has been done in other grains. Some improvement in recent years has been revealed in oats and wheat, with more attention being given to the production of greater yields with great resistance to insects and disease, but with too little attention having been given to the ultimate use to which the commodity is to be put.

Corn-production yields have been greatly enhanced through the use of hybrid seed, but not only is there opportunity for much further study along this line, but the field of development which is sadly lacking is that of producing the kind of corn for the specific purpose for which it is to be used. While the greater portion of our corn goes for livestock feeding, there is a percentage used for human food with great possibilities in the future in the field of chemurgy, which I will touch upon later.

The constructive use of commercial fertilizer is still in its infancy. Research along this line is sadly needed. No essential element can be found in any food or feed crop which does not first exist in the soil.

We have witnessed the development of the wooden moldboard plow. I can recall the older people talking of the poisonous effect that the steel moldboard would have on the soil. Today the steel moldboard is universally used, but there are possibilities that the next decade will reveal farm equipment and farm tillage practices that go far beyond the dreams of any of us today. This requires research which the individual farmer cannot promote. Present methods of harvesting are not only extremely expensive, but much of the feed value and vitamin content is lost. The field of research into this type of endeavor will produce remarkable results.

Only a little while ago alfalfa was regarded as a crop acclimated to a semiarid area. Today it is grown on practically every farm in my section of the State. Soybeans were little more than heard of two decades ago. Today it is a basic crop.

Research will not only greatly improve crops prevalent on our farms now, but will bring many new crops which will enhance the economic position of our farm people and the general wealth production of our country.

We are just now beginning to hear of hybrid developments in the field of livestock. The only previous development has been the Missouri mule. In my opinion, research in the field of livestock will show the development of crosses and recrosses which will develop types of livestock which will produce more pounds of food, higher quality food, with less feed. Animals will be produced with greater disease resistance.

Much research needs to be done in the broad field of marketing of agricultural products. One of our greatest break-downs in times past has been a faulty distribution system. In the early thirties we saw greater supplies of food than in any previous time in our history; yet at the same time we saw unprecedented numbers of hungry people. Most of the hunger of the world today is due not to a lack of food, but to an unwise marketing and distribution system. Proper research should, in the course of time, be able to develop ways and means of correcting this evil.

Nylon production is the result of 8 years of expensive research by a billionaire industry, costing over \$10,000,000, which has gone a long way toward removing an outlet for one of America's basic farm products—cotton. If something is not done in the field of agriculture to match what is being done in the field of industry today along lines of research, then part of America's greatest sources of wealth will depreciate.

We have seen in the past and will see again great surpluses of grain crops. The emergencies contingent with the war revealed the possibilities of the diversion of those surpluses into synthetic rubber motor fuels, and so forth.

The bill under discussion will provide the means through agricultural experiment stations, through cooperation with the proper industries, and through the United States Department of Agriculture, of effecting proper developments along these lines.

American transportation is pretty much geared to rubber. We need never be caught again with the source of supply 10,000 miles away.

I sincerely urge that members of this committee give careful study and favorable consideration to the proposals set forth in this bill to

the end that farmers' problems as we look into the future will be most constructively met, that the human diet will be greatly improved, that the farms of our country will become sources of supply for many of the products for which we have looked elsewhere in the world, and that our national prosperity will be assured.

Mr. OGG. Mr. Chairman, I also have a statement handed me by Mr. George H. Wilson, of California, representing the vegetable, fruit, and sugar beet industry of California.

The CHAIRMAN. Without objection it may be inserted in the record at this point.

STATEMENT OF GEORGE H. WILSON, MEMBER, BOARD OF DIRECTORS, AMERICAN FARM BUREAU FEDERATION; AND MEMBER, NATIONAL FRUIT AND VEGETABLE COMMITTEE

Mr. WILSON. Mr. Chairman and gentlemen of the committee; as a farmer—owning, operating, and living on my own farm in California, a member of the board of directors of the American Farm Bureau Federation, and a member of its national fruit and vegetable committee, I would like to stress the need for additional research to assist the producers of fruits and vegetables, and sugar beets.

In the West the great extremes of rainfall, or drought, elevations above and below sea level, extreme heat and cold, and long and short growing seasons have forced us to place great reliance on research work to get our crops to produce satisfactorily. Then add a tremendous amount of work done to develop new varieties of fruits and vegetables, and methods of grading and packaging so that they will still be attractive to buyers 2 to 3 miles distant.

The United States Department of Agriculture and experiment stations have helped with many of our crops. I think of the plant breeding and other research in sugar which have been so helpful.

We want to go ahead to a program of full production of farm products for the use of mankind and at prices to consumers that they can pay. We in California believe we can make considerable progress along this line through research. Our State legislature, which has always been generous for farm research, granted us an extra \$2,000,000 for the year, with the implication that larger annual appropriations would follow. Grower and industry groups are assessing themselves, adding materially to these funds for research. We will continue to help ourselves, but that is not enough.

Probably the simplest and oldest irritation on the farm is weeds. The new developments of electronics, biologics, chemistry, and mechanical treatment open the possibility of weed control, which will pass on to the consumer's a food saving far in excess of any subsidy or relief this Nation can long offer.

Roughly, one-third of the consumer's fruit-and-vegetable dollar goes to the farmer for his costs and living. We need research to cut further those costs, the savings to be divided between the grower and consumer. The bulk of the consumer dollar, however, goes for packaging, transportation, and distribution; and in this field a large amount of research is essential to solve this intricate problem in such a way as to cut spoilage to the vanishing point—moving our product quickly, efficiently, and cheaply to the consumer's table. The appli-

cation of refrigeration throughout the channels of distribution has great possibilities, but requires much research.

We must learn to use the fruit and vegetable byproducts just as efficiently as the big packer uses "all but the squeal."

Research men now tell us that the lowly asparagus butt, which for many years added only odor to the countryside, is now being used to produce a medicine—just as effective in its field as is penicillin in its field. Many vegetable and fruit byproducts add vitamins to livestock feeds.

Our farmers in the West, and I believe all over the Nation, want us to work for a positive program which will encourage full production of all our farm products priced so that the producer and the consumer are benefited by the production. We believe that the gains made through production, distribution, and use research are gains for every citizen, and gains which cannot be readily removed.

We believe that solving the farm production and distribution problems through restricted production, subsidies, and a multitude of other ways is more expensive and its effects are cumulatively bad, if long continued. We believe the gains from research are cumulative of good for all.

In this rapidly changing world, with the many new problems facing farmers and new demands placed on them, we must maintain a good research program. We must, however, step out anew into leadership, meeting the more complex problem of true soil conservation and treatment to the end that it will produce not only abundantly, but produce foods and fibers of high nutritive or utility value. It is especially important in the case of fruits and vegetables that we learn how to produce in them a uniform, high, and usable vitamin content. We must learn better to grade, process, prepare, package, transport, and distribute our essential products to the consumer.

To do these things and more, maintain harmony, freedom, and independence for producer and consumer will require an enlarged, aggressive, and coordinated research program.

We believe this bill will be a great help, and we will strongly support you in its passage and believe the great mass of our citizens will do likewise.

Mr. OGG. Mr. Chairman, at this time I would like to offer a statement prepared by Mrs. Roy C. F. Weagly, representing the Associated Women of the American Farm Bureau Federation, speaking for the farm women.

The CHAIRMAN. That statement may appear in the record at this point.

STATEMENT OF MRS. ROY C. F. WEAGLY, PRESIDENT, ASSOCIATED WOMEN, THE AMERICAN FARM BUREAU FEDERATION

Mrs. WEAGLY. Mr. Chairman and gentlemen of the committee, on behalf of the Associated Women of the American Farm Bureau Federation, representing approximately 1,000,000 farm facilities, comprising more than 4,000,000 farm people in 45 States, I appreciate the privilege of bringing to your attention the increasing need for further research into basic laws and principles that may contribute to the establishment of a permanent and effective agriculture; for broader,

research in the field of nutrition, to the health and well-being of all our people; and for research and development work in the improvement of rural homes that may be conducive to satisfactory rural living.

I wish to emphasize the need for research to evaluate foods with higher content, especially as to their vitamins, minerals, and other constituents necessary for the health of the consumer, and to determine the relative values of such foods as compared to the use of synthetic substitutes. Certain synthetic substitutes are less palatable and more costly than when obtained through natural foods.

Knowledge of the relation of nutrition to health is being rapidly uncovered. It is believed that many nutritional diseases are caused by deficiencies or excesses of particular minerals in food plants grown in different soils, different localities, and with different cultural practices. The many unsolved aspects of the problem of human nutrition are responsible for much poor nutrition. Likewise, lack of knowledge as to the influence soil characteristics have on the individual is partly responsible for much poor husbandry.

Although this Nation is the best fed nation in the world today, yet broad research in the field of nutrition and a wide dissemination of the knowledge thus gained would benefit not only the farmers of the Nation but also the consuming public, and would add to our national strength and well-being.

There is need for research to determine the nutritional importance of agricultural products, both in the protective and the corrective foods.

Since the loss of nutrients entailed in the preparation of foods in the home and in the handling and processing of food for preservation in transport and in the market is evident, there is great need for research in this matter. For the dissemination of such pertinent information on these vital matters, provisions need to be made for the further development of cooperative agricultural extension and home demonstration work.

There is need for more adequate research in order to develop improved methods of production, new crops, and improved varieties of crops, new and better breeds of poultry and livestock, and new and expanded uses for agricultural commodities.

The Associated Women of the American Farm Bureau Federation approves the bills S. 2248 and H. R. 6548—introduced on May 24 by Senator Bankhead and Congressman Flannagan—embodying a comprehensive agricultural research program to take care of the many new and pressing agricultural problems and to provide agriculture with an over-all agricultural research program comparable to that enjoyed by industry.

We appreciate the fact that Congress recognizes that very few individual farm units can afford the expense of doing research work on problems affecting agriculture and the Nation.

At the present time we are dealing with the emergencies on a day-to-day basis because our problem is one of supplies and not surpluses. That condition, however, will eventually change. Our main interest, therefore, is in the long-range program.

Mr. GATHINGS. Mr. Chairman, I have the statement of Mr. Schenck, and there is just a bare mention of soybeans. Do you know whether or not a witness will be put on who will discuss the subject of soybeans?

Mr. OGG. I thought Mr. Schenck covered it in his statement. We have no witness to talk specially on soybeans. I know Mr. Schenck comes from a soybean-producing area.

The CHAIRMAN. Mr. Ogg, tomorrow we will hear from the commissioners of agriculture. Do they have any State commissioners in town from the soybean area? If so, we could hear from them at that time.

Mr. OGG. I want to say in behalf of Mr. Schenck, Mr. Chairman, that since he had planned to be here, I am sure he would have touched on the subject of soybeans, but he had to leave last week.

The CHAIRMAN. We will insert in the record any data submitted in regard to soybeans.

Mr. POAGE. Witnesses coming from the soybean-producing areas, I am sure, recognize the need for more research to meet their problems, particularly in this postwar period of competition where the need for research is grater than anything else in the world.

Mr. GATHINGS. I agree with you.

The CHAIRMAN. The committee will be adjourned until 10 o'clock in the morning, when we will hear from the various State commissioners of agriculture.

(Thereupon, at 12 noon, the committee adjourned to meet on Thursday, June 20, 1946, at 10 a. m.)

AGRICULTURAL RESEARCH

THURSDAY, JUNE 20, 1946

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. John W. Flannagan (chairman) presiding.

The CHAIRMAN. The committee will come to order.

We had scheduled witnesses from the Department of Agriculture to appear this morning to discuss title II, which appears on page 14 of the committee print, and it was thought that these witnesses would appear first. I am sorry to announce that Mr. Kitchen's mother died last night and it is necessary for him to leave town this evening, and we are anxious to have Mr. Kitchen's views on the legislation and if we do not hear him this morning I am afraid the hearings will be over before we have an opportunity to hear him at all, and for that reason I am going to ask Mr. Kitchen to give us the benefit of his views at this time.

STATEMENT OF C. W. KITCHEN, EXECUTIVE VICE PRESIDENT, UNITED FRESH FRUIT AND VEGETABLE ASSOCIATION, WASHINGTON, D. C.

Mr. KITCHEN. Mr. Chairman, and gentlemen of the committee, I have a rather brief statement here which was prepared before the committee print became available this morning.

The CHAIRMAN. Mr. Kitchen, for the purpose of the record, I wish you would give us a little bit of your background.

Mr. KITCHEN. Yes. My name is C. W. Kitchen. My occupation is executive vice president of the United Fresh Fruit and Vegetable Association with headquarters in this city.

The CHAIRMAN. How long were you connected with the Department of Agriculture?

Mr. KITCHEN. I left the Department of Agriculture on February 21 of this year after having spent 34 years in the Department.

The CHAIRMAN. What were your connections with the Department of Agriculture; what position did you occupy?

Mr. KITCHEN. They were more numerous than I can recall at the moment, Mr. Chairman, but I was associated with the marketing work in the Department since its inception about 1914 and served through various capacities until the time I left, when I was Assistant Administrator of the Production and Marketing Administration.

The CHAIRMAN. That was under the reorganization?

Mr. KITCHEN. That is right.

The CHAIRMAN. Prior to that what particular position did you occupy?

Mr. KITCHEN. Prior to that I was Chief of the Office of Marketing Services, and was assistant director or assistant administrator of various organizations that had been set up from time to time to carry on work in marketing.

The CHAIRMAN. But prior to that you had charge of the Marketing Division of the Department?

Mr. KITCHEN. That is right.

The CHAIRMAN. And under the reorganization of the the Department, when the Division of Production and Marketing was set up, you became the Assistant Chief of that Division?

Mr. KITCHEN. Yes, one of the Assistant Administrators.

The CHAIRMAN. Mr. Kitchen, have you had an opportunity to examine the Hope bill, H. R. 6692, which has been incorporated in the committee print and appears as title II, beginning on page 14 of the committee print?

Mr. KITCHEN. Yes, I have given considerable thought to the bill, H. R. 6692, introduced by Mr. Hope, and while I have not had an opportunity to go over the committee print in detail it appears to include all of the essential features of H. R. 6692 in it and it also reconciles the important differences between that bill and H. R. 6548, which was introduced by the chairman.

The CHAIRMAN. On yesterday I received a report from the Department of Agriculture which in general approves the objectives set forth in the Hope bill, which is title II of the committee print, but objection was made to the consolidation and coordination of the marketing activities in the Department as contemplated in the Hope bill.

Without objection the report from the Department will be made a part of the record at this point.

(The report referred to follows:)

DEPARTMENT OF AGRICULTURE,
Washington, June 18, 1946.

Hon. JOHN W. FLANNAGAN, JR.,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. FLANNAGAN: In response to the request of your office that the Department's comments on H. R. 6692, the Hope bill, be furnished to the committee this afternoon, I am attaching a copy of a statement which we have prepared for presentation during the hearings.

If we can be of any further assistance, please let us know.

Sincerely,

CLINTON P. ANDERSON,
Secretary.

In response to the request of the chairman, the Department has studied H. R. 6692, the Hope bill, from the standpoint of whether it would be desirable to insert this bill as title II of H. R. 6548, the Flannagan research bill. In studying this matter, we called together representatives of all agencies in the Department which would be affected by the change. We heartily endorse further research and services with regard to marketing problems and, therefore, agree with the substantive objectives of the Hope bill. We would have no objection to inclusion in the Flannagan bill of the substantive authorities in the Hope bill. In our opinion, however, the organization changes provided by the Hope bill would not be desirable.

As the committee is no doubt aware, the Department investigated its organization extensively during the past year and adopted to a large extent the recom-

mendations of a committee set up for this purpose under the chairmanship of Milton Eisenhower, president of the Kansas State College, including the creation of the Production and Marketing Administration. This organization is essentially along commodity lines and would be inconsistent with the purely functional organization provided in the Hope bill. While there are virtues in both approaches, we think much damage might be done to the objectives of the Hope bill by a major disturbance to the organizational framework which has been in existence just long enough to reach a stage of reasonable effectiveness. In addition, plan No. 3 of the President pursuant to the Reorganization Act of 1945, which is now before the Congress, transfers to the Secretary many of the agencies which would be affected by the provisions of the Hope bill and, accordingly, the Hope bill in its present form, would virtually nullify part of that plan.

We are presenting to the committee a draft of a revision of the Hope bill which, we think, will accomplish its purposes without involving the difficulties which would be presented in a reorganization. One of the important issues which the Hope bill brings into focus and which is incorporated into this draft is the great need for a definition of what constitutes research in marketing and a proper assurance that funds available for research will be devoted in a reasonable degree to marketing work. In line with this plan, the draft includes an additional section 12 to be added to title I of the existing Flannagan bill which would, in effect, define "marketing" as related to research (in terms taken from sec. 4 of the existing Hope bill) and would also prescribe definite percentages of the funds available to the States for research in regional problems, and of the sums available to this Department for research on other than utilization problems, as a minimum expenditure on marketing research work. In arriving at these percentages, it was our thought that as a substantial portion of the States' funds for regional problems would thus be devoted to marketing, it would provide a satisfactory representation of all available funds. In the case of the work of this Department, it was not thought necessary to earmark utilization funds since a large portion of these will necessarily be so expended.

We have then drafted as title II, to be added to the Flannagan bill, virtually all provisions of the Hope bill, other than purely research functions, excepting those dealing with the organization of a new agency to carry out such functions. In lieu of such provision we have provided that the authorities should be available to the Secretary, in order that the functions may be assigned by the Secretary to such agencies of the Department as are best fitted to carry out the particular function involved. The section dealing with the national advisory committee has been revised so as to authorize the Secretary to determine its membership with due regard to all interests which need to be represented. This change is similar to the one recommended by this Department with reference to the committee on research created by section 11 of the existing Flannagan bill.

It should also be brought to your attention that the provisions in section 6 (a) of the Hope bill, relating to the transfer of funds appropriated under section 32 of Public Law 320, Seventy-fourth Congress, have been eliminated from our proposed revision. The Department believes that it would be more desirable to provide direct appropriations for the purposes of this title rather than to divert section 32 funds for the purpose.

The CHAIRMAN. Mr. Kitchen, I know the committee would like to have your views on the necessity of bringing about the proper consolidation and coordination of marketing activities in the Department of Agriculture.

Mr. KITCHEN. Mr. Chairman, I have a rather brief statement here which, with your permission, I will read.

The CHAIRMAN. Suppose you read your statement first and we will ask you questions afterward.

Mr. KITCHEN. Yes, I think that will be better.

On February 18 of this year, while still in the employ of the United States Department of Agriculture, I was requested to appear before this committee in connection with House Resolution 54 under which this committee is studying various problems associated with the marketing of farm commodities. At that time a rather lengthy statement

was furnished to the committee outlining many of the various marketing activities conducted by the Department, and suggesting various improvements needed in the present services and the addition of others. At that time I stated that—

There is comparative little information of the costs, wastes, and inefficiencies of marketing, item by item, through the channels of distribution. Such information is fundamental in any thorough study of our marketing system. It would focus attention on weak spots and indicate steps for improvements which might be taken by all concerned, Government and private business.

A group of well-trained people familiar with the marketing system and working closely with farm and trade organizations and State institutions could produce significant results, not only as to possible improvements which might grow out of such studies but to provide information to the public regarding marketing costs and what makes up the margins between what the producer receives and what the consumer pays. Possible economies and increased efficiency is so important to agriculture and the public that this committee may want to make sure that adequate attention is given to them. By following such a course the Government will be continually working to assist farmers in moving the greatest possible quantity of products to market with reasonable income to themselves, provide consumers with an abundant supply of the commodities which they need to make up a satisfactory standard of living, assist distributors in improving their operations both from an economic and ethical point of view, and in the end will keep the marketing of farm products in private hands and minimize the extent to which Government funds have to be used in marketing operations as a means of price support.

I think this point is especially important. It means having people who know, or can be trained to know, the actual problems and methods of marketing, and who work on those problems just as the scientists have laboriously worked out better ways of increasing the efficiency of production and whose findings have been put into use by gradual adoption and without the force of law. Efficiency in production has progressed more rapidly than efficiency in distribution. If this committee can lay the foundation and follow it up to develop the same kind of fact finding and analysis for marketing as has been done for production, I believe results will follow through the years ahead that will be of lasting benefit to agriculture and to all the people of the United States.

In my opinion H. R. 6692 seeks this objective and I strongly recommend its enactment. As many of its purposes are so closely related to H. R. 6548, it would appear desirable to consolidate the two into one bill with separate titles.

The funds provided by Congress and the States for research on problems of production have always greatly exceeded those available for research in marketing. There are no doubt limitless opportunities for further scientific research in the production and utilization of agricultural products and that work should be strengthened and expanded as contemplated by H. R. 6548. But I believe the most pressing problems in agriculture in the years immediately ahead lie in the field of marketing and distribution. The development of intensive research in marketing, effectively organized in the Department and properly coordinated with State and other agencies, is long overdue. We need to find ways of further reducing costs in both production and marketing. Work in one field should not lag behind the other as it does now. Production is only half of agriculture, marketing is the other half.

H. R. 6692 seeks to establish an agency in the Department that will be primarily responsible for research, service, and regulatory work in marketing. In doing that, and by providing for additional funds, you would be placing marketing research along side of production research. In establishing the Agricultural Marketing Administration

in the Department we would have for marketing something closely comparable to what the Agricultural Research Administration is for production. The Agricultural Research Administration conducts, supervises, and coordinates research in production on national, regional, and States levels. It uses the facilities of the Extension Service to disseminate its findings. The Agricultural Marketing Administration would do the same for marketing. The Agricultural Research Administration is responsible for regulatory work in connection with plant and animal quarantines just as the Agricultural Marketing Administration would be responsible for regulatory work in marketing.

Recognition of marketing organizationally in the Department is long overdue. It is consistent with accepted patterns of organization in the Department. Work on marketing is now widely diffused throughout the huge Production and Marketing Administration where, by force of circumstances, it has largely become overshadowed and subordinated because of buying, selling and lending operations conducted on a vast scale. H. R. 6692 would separate the research, service and regulatory work in marketing from those operations just as research and certain regulatory functions of the Agricultural Research Administration and the economic and statistical work of the Bureau of Agricultural Economics are separated from them.

I am convinced that until marketing work is so recognized organizationally in the Department we will not make the progress in marketing work which should be made, and the lack of which probably had much to do with the adoption of House Resolution 54.

I would like to support this statement by relating the organizational history of marketing work in the Department. The Department first began work in marketing about 1914 and set up the Office of Markets and Rural Organization. Soon thereafter this became the Office of Markets. Then in 1916 it was changed to the Bureau of Markets with added duties. In 1922 the Bureau of Markets was consolidated with the Bureau of Crop Estimates and became the Bureau of Markets and Crop Estimates. About a year later this Bureau was consolidated with the Office of Farm Management and the Bureau of Agricultural Economics was created. There then followed quite a period of growth and stability until about October 1938 when most of the marketing work was taken out of the Bureau of Agricultural Economics and the Agricultural Marketing Service was created. That lasted until December 1941 when the Agricultural Marketing Administration was created. That lasted a year and the Food Distribution Administration took its place. That lasted a year and the Office of Distribution took its place. That also lasted a year and then was divided into the Office of Marketing Services and the Office of Supply.

That arrangement only lasted 7 months and then the present Production and Marketing Administration was established last August. Throughout all of these reorganizations affecting the marketing work there was, of course, considerable shuffling of personnel, functions, and responsibilities.

I relate this history of changes in departmental organization to show that the Department is not without experience in reorganizing itself, especially its marketing work, and that we need not fear that H. R. 6692 will disrupt the Department. There is no assurance that the

Production and Marketing Administration will last any longer than most of its predecessors. Actually, I think this organizational history shows clearly that the work in marketing has become somewhat of an administrative football, and strongly suggests the need for greater stability by setting up an organization in the Department by law, aided by a strong advisory committee of persons interested in improving the marketing system, in cooperation with the States, and with a requirement that such an organization report regularly to this committee regarding its activities and the progress it is making. If conditions in marketing are to be carefully analyzed and recommendations made for their improvement we must have more facts concerning them just as has been done in the field of production. I believe that the enactment of the provisions set forth in H. R. 6692 along with those in H. R. 6548 will prove to be definitely in the interest of agriculture and of those who use the products of agriculture.

I would like merely to add, Mr. Chairman, that I think the committee print now before you consolidates the two bills and would accomplish the purposes desired.

The CHAIRMAN. I have a statement which you made before the committee on marketing, and I am going to ask that a copy of that statement appear in the record at this point because it goes into the different phases of marketing.

Without objection it will be made a part of the record.

(The statement referred to follows:)

STATEMENT ON MARKETING BEFORE THE HOUSE COMMITTEE ON AGRICULTURE BY
C. W. KITCHEN, ASSISTANT ADMINISTRATOR, PRODUCTION AND MARKETING ADMINISTRATION, USDA

I am glad to have this opportunity to present to this committee a general outline of our work in marketing and to suggest some things which might be done, not only to improve the marketing work of the Department, but to make the system of marketing farm and food products more efficient. It is helpful to those of us in the Department to discuss our work and our problems with you from time to time. We do not often have such an opportunity.

House Resolution 54 is very broad and comprehends an examination by this committee of all phases of marketing farm commodities, both in their natural and processed form. It is assumed you will want to go into the problems of individual commodities separately, and our marketing specialists will be available to you for that purpose. Not all the information pertaining to the marketing of farm products is available in the Department of Agriculture; actually what is available is quite meager, and therefore you will want to consult others, including people actually engaged in the marketing process. In my opinion you have embarked upon a most comprehensive and long-time undertaking, but one that is of utmost importance to agriculture and to the country.

I am confining my remarks largely to the work in the Production and Marketing Administration of the Department. You may wish to confer also with some of the other agencies in the Department which are interested in marketing work, such as the Extension Service, the Farm Credit Administration which handles the work on cooperative marketing, and perhaps some other departments or independent establishments of the Government.

The Department of Agriculture first began work in marketing about 30 years ago. Prior to that time nearly everything the Department did was directly concerned with production. It is difficult to classify the funds available to the Department according to production and marketing activities. Recently an attempt was made to make such an estimate, however, necessarily on somewhat of an arbitrary basis. If we exclude corporation capital funds and the residue of so-called war funds, but include section 32 funds, \$50,000,000 of which are earmarked for school lunches, we have a break-down based on the 1945 fiscal year of 71 percent for production and 11 percent for marketing, and the 11 percent is spent mostly on services and the administration of laws

with very little for research designed to improve marketing. Some items on either side are open to question.

During this 30-year period marketing has become increasingly important. Agriculture is a great science, and there is need and opportunity for more intensified scientific research, but the problems of agriculture which attract public attention and press for consideration by the Congress seem to arise most often at this time in the field of economics and marketing.

Until quite recently the general philosophy of farm and food programs seemed to be to expect the marketing system to handle whatever might be produced at prices that would be satisfactory to everybody. There has been a tendency to take the marketing system for granted and to assume that it would do its job under any and all circumstances.

We are living under an economic system where most agricultural production is for market and where the production of many commodities has become localized in certain highly efficient producing areas, but such specialization in production tends to separate production farther and farther from the consumer and to make the problems of marketing more complex. Under such conditions it is more important than ever that the marketing system be helped to function more efficiently and that farmers produce the kind of commodities in the proper quantity needed to meet the possibilities of the marketing system available to them or which can be developed for them.

With the marketing system constantly becoming more complex and rapidly changing it is inevitable that at any one time a great deal of work needs to be done to effect improvements in it. It is equally difficult to know specifically what improvements can be made. In this discussion I should like to point out some of the work that we are doing in the marketing field and to make some suggestions as to other things that might be done and which require the assistance of this committee to be put into effect.

I. WHAT THE DEPARTMENT IS DOING IN MARKETING

1. *Service work*

The oldest work of the Department directly in the field of marketing is service work designed to assist in the efficient distribution of farm products.

(a) *Market news*.—One of the best known of these services is the market news service, which has operated for nearly 30 years, having been started during World War I when farmers had access to practically no market information except that made available through trade sources. The funds available for this work in 1918 were about \$1,500,000. The current appropriation act provides \$1,125,000.

In carrying on this work trained market reporters are stationed by the Department in important receiving and redistributing centers where the volume handled is large and where the prices established influence wide areas. In such markets they collect information on prevailing prices and the supplies available for sale. They gather information from wholesalers, warehousemen, and transportation agencies. Other reporters stationed in important shipping areas obtain information on supplies available for shipment, shipments, and prices. Early each day such information is compiled and is distributed locally and nationally. A leased wire system of about 8,600 miles is maintained by the Department for the latter purpose. This information is further distributed by the press, radio, by mail, and by commercial telegraph. In 1945 there were more than 850,000 broadcasts of market information based on the official market reports. The large press wire services of the country carry the reports and 40 metropolitan newspapers having a total circulation of 11,000,000 publish them regularly. All this dissemination through press and radio is without cost to the Government, and if paid for by the Government, would cost many millions of dollars.

In addition, many other papers, trade publications, and magazines use the reports. During the past year more than 5,000,000 mimeographed reports on livestock and more than 9,000,000 such reports on fresh fruits and vegetables were sent out by the Department. At present we are operating a total of 77 full-time and seasonal offices. About 80 percent of the work in this field is devoted to fresh fruits and vegetables, livestock, meats, and wool. A number of the State departments of agriculture and State extension services assist in and supplement the carrying on of this work, using some of their funds for that purpose.

(b) *Standardizations*.—With the development of modern transportation, refrigeration, quick communication, and specialized areas of production, uniform

standards for describing farm products became more and more important to facilitate trading, for unless means are available for describing or identifying commodities so that both buyers and sellers may know what they are exchanging it would be necessary for them to see the commodity before the transaction could be closed. Obviously this is impractical and costly in long-distance trading. Hence, one of the earliest developments in our marketing work was the formulation of grades or standards of description. Before the Department entered this field there were many trade and private standards, but there were many variations in them and they were not generally accepted throughout the country.

New standards are constantly being developed and old ones revised to keep them abreast of changing conditions. For some commodities, such as cotton and grain, use of the official standards is required by law when sales are made by grade, but for most farm products their use is optional in private transactions. To date we have established standards for most of the important farm products and are working constantly to improve them so that they may accurately describe the quality of the products they represent.

(c) *Inspection.*—But the mere drawing up of a grade or standard did not solve the problem. When a lot is described as U. S. No. 1 grade, it is important to know who made that determination and to what extent it can be relied upon. Without disinterested inspection and grade certification, the use of official standards cannot serve the full purpose. Hence it became necessary to establish a very extensive system of Government inspection, the cost of which, for many commodities, is borne by those who request the service. As an indication of the magnitude of this kind of inspection work during the past year the following quantities of some of the leading products were officially inspected:

Fresh fruits and vegetables-----	carloads--	828, 000
Processed fruits and vegetables-----	do-----	873, 000
Meat-----	pounds--	11, 500, 000, 000
Butter-----	do-----	219, 000, 000
Eggs-----	cases--	12, 000, 000

The demand for this inspection service has grown consistently during the past quarter of a century until now it is a very important part of the marketing system and one of the major activities of the Department in the marketing field.

In addition to the inspection of fruits and vegetables, dairy and poultry products, meats, and a few grain products for which the service is largely self-supporting, we are carrying on other inspection work for which the cost is paid for by the Government. For instance, during the fiscal year 1945 more than 1,382,000,000 pounds of tobacco, 78 percent of the total auction sales, were inspected by employees of the Department under the Tobacco Inspection Act. Under the Smith-Doxey amendment to the act of March 3, 1927, more than 4,000,000 bales of cotton were classed for farmers last season free of charge. In addition, under the Cotton Standards Act, 3,500,000 bales were classed by Government classers for a fee, and 11,000,000 bales by licensed classers. During the fiscal year 1945, under the Grain Standards Act, more than 3,500,000,000 bushels of grain were inspected by licensed inspectors operating under the supervision of Federal employees who check their performance, the cost of such supervision being borne by the Federal Government.

(d) *Freight rates on farm products.*—One of the newer services which the Department renders to assist in the marketing of farm products is in the field of freight rates and transportation charges. This work was begun only about 5 years ago under section 201 of the Agricultural Adjustment Act and has produced highly significant results. With a total expenditure of less than \$400,000, during that 5-year period, a small group of transportation specialists in the Department have initiated or participated in actions which have brought savings of about \$640,000,000 in the cost of transporting farm products. This is a good illustration of Congress and the Department having taken one phase of the marketing process, determined what should be done to make it more efficient, and then taken action to bring about the desired results.

Transportation charges are a very significant part of the price spread between the farmer and the consumer. They have an important bearing on the ability of farmers to reach certain markets with their products. It is of great importance, therefore, that transportation charges be kept as low as possible consistent with the revenue of the carriers; that satisfactory services be available; and that the rate structure be equitable as between production areas and markets and as between commodities. An unreasonable freight rate to a given market acts in the same way as a tariff barrier.

The carriers are usually large corporations and have available well-trained transportation specialists and lawyers to represent them before the Interstate Commerce Commission and other regulatory bodies. The farmer is unable to analyze his transportation situation and present his case in competition with the talent of the carriers. This relatively new service of the Department in helping him to handle this problem is of particular value to him in the marketing of his products. Our service not only helps the farmer in getting freight-rate adjustments, but also helps the Interstate Commerce Commission because it places into the record of the various cases full data on the shippers' side of the argument and thereby gives the Commission a more adequate record upon which to base its findings and conclusions. The Commission has repeatedly asked our transportation specialists to enter cases in order that they may be sure to have before them all facts on both sides.

During the past year 140 separate projects, which included proposals to abandon short lines serving rural areas as well as freight charges, were handled covering practically every agricultural commodity shipped in interstate commerce. Many of these projects resulted in rate adjustments which affected every State in the Union. On the average each State was affected by 32 of the projects.

Until this year our work in this field was restricted to rail transportation, but this year the Congress made \$15,000 available for us to begin work on water transportation. As yet nothing is being done on truck transportation, although that method of transport also is of tremendous importance to farmers.

2. *Regulatory work*

In addition to some of the marketing service activities I have mentioned, from time to time Congress has enacted certain regulatory acts that are designed to correct specific abuses in the marketing system and lay down some rules of the game.

(a) *Packers and Stockyards Act*.—With respect to livestock the Packers and Stockyards Act was enacted in 1921 because of complaints received from livestock producers and shippers against the practices of stockyard companies, packers, and commission firms involving unreasonable rates, inaccurate weights, and other unfair, fraudulent, and deceptive practices. The act endeavors to fix just and reasonable rates and charges for services rendered producers and shippers of livestock, to prevent and correct irregularities or abuses on the part of persons engaged in livestock marketing or meat packing and to require a correct accounting for the transactions when the livestock is marketed through supervised markets. The act therefore primarily protects the producer and trader only if he uses certain designated facilities. While the act requires that stockyards of more than 20,000 square feet in size be brought under supervision, funds are available for covering only about half the stockyards that are eligible. Nevertheless, the Packers and Stockyards Act, in spite of shortcomings, has been a very worthwhile influence in bringing about fair dealings in the marketing of livestock.

(b) *Perishable Agricultural Commodities Act*.—In the fruit and vegetable field the Perishable Agricultural Commodities Act was passed to prevent, among other things, handlers from making false and misleading statements for fraudulent purposes, from rejecting purchases without reasonable cause, from failing or refusing to account and pay for produce purchased or handled on commission, and from failing to deliver in accordance with the terms of the contract. Handlers of fruits and vegetables, as defined by the act, are licensed by the Secretary of Agriculture. Licenses to engage in interstate commerce are mandatory, and severe penalties are provided for operating without a license. Licenses totaling 21,000 are now outstanding. An annual license fee of \$10 is charged which makes administration of the act self-supporting.

In cases of repeated and flagrant violations licenses may be suspended or revoked. Reparation orders are also issued, and many disputes between sellers and buyers are also adjusted by voluntary submission of the facts to the Department. This legislation has contributed materially to improving business operations in the marketing of fresh fruits and vegetables, and is widely acclaimed both by farmers and dealers. Certain amendments are needed to make it still more effective.

(c) *Standard Container Acts*.—The Standard Container Acts of 1916 and 1928 provide for the standardization of baskets and hampers for fresh fruits and vegetables. These acts have reduced the number of sizes of such containers as follows: berry baskets or boxes from 18 to 3; till baskets from 30 to 4; climax baskets from 31 to 4; hampers from 42 to 9; round-stave baskets from 20 to 9; and splint baskets from 25 to 6.

(d) *Commodity Exchange Act*.—The Commodity Exchange Act was passed to prohibit certain unfair practices found to exist on commodity exchanges and is designed to supervise operations on these exchanges so that they may better perform their recognized functions. Since trading as conducted on these exchanges has an important influence and place in the marketing of farm products, it is extremely important that satisfactory rules of the game be laid down and that they be properly administered. The Commodity Exchange Act constitutes an important step in that direction. Its purposes, scope, and operations can be explained in more detail, if desired, by those directly engaged in its administration.

(c) *Federal Seed Act*.—The Federal Seed Act is one of the newer statutes pertaining to marketing, having been passed in 1939 and become effective in 1940. It regulates the marketing of seeds in interstate commerce by making it unlawful to ship seeds which do not bear a correct label showing germination, purity, weed-seed content, and certain other information. The act also prohibits the importation of agricultural or vegetable seeds unless and until they have been tested and passed for entry by the Department. Obviously it is of tremendous concern to farmers, consumers, and honest seed dealers that farmers know the quality of the seed which they are planting. Otherwise, they may find that they have planted seed which will not germinate or which will not grow satisfactorily in their particular locality. By the time they would find out that the seed was not good it might be too late to replant, their prospective income from the crop would be lost, and the public would be deprived of the product. The Federal Seed Act is proving to be a wholesome influence in the marketing of seed and a great protection to producers.

(f) *28-hour law*.—One of the oldest regulations in the marketing field is the so-called 28-hour law, originally passed in 1873. The purpose of this act is to prohibit any carrier from confining livestock in railroad cars for a period longer than 28 consecutive hours without unloading them in a humane manner into properly equipped pens for rest, water, and feeding. The act is designed not only to prevent cruelty to animals, but to reduce losses of livestock. While the act is badly in need of being brought up to date it has been of great benefit over the years in the protection of livestock while they are being transported.

(g) *The Warehouse Act*.—The United States Warehouse Act may be considered as either a regulation or a service because it is not mandatory that any warehouse be licensed under the act, but when once licensed a warehouseman must abide by the act and its regulations until his license is surrendered or revoked. The purpose of the act is to provide safe storage and sound collateral for agricultural commodities in order that farmers and farm marketing organizations may be able to store their products with the assurance that they will be properly protected and delivered to them in as good condition as when they were placed in storage. By providing such a system of storage it became possible for farmers and farm organizations to spread their marketings over a longer period of time. And because of the wide acceptance among banks and lending agencies of the Federal warehouse receipt sources of credit have been widened and interest and insurance rates to storers of agricultural products eligible for storage under the act have been reduced. While only about 1,340 warehouses are licensed under the act, they handle each year more than \$1,500,000,000 worth of farm products. During the 25 years of operation of the act no storer of any product in any federally licensed warehouse has suffered financial loss, although losses are rather common in many warehouses not so supervised.

(h) *The Agricultural Marketing Agreement Act*.—The Agricultural Marketing Agreement Act enables producers of certain commodities to provide for the orderly marketing of these commodities in order to stabilize prices and improve their distribution and use. Agreements and orders developed under this act are possible only as producers approve them by referendum.

Under this act a number of agreements have been developed for the marketing of fluid milk and fruits and vegetables. During the past year there were 35 marketing agreement and order programs in effect for fluid milk, covering 121,000 producers producing over 13,000,000,000 pounds of milk valued at nearly \$445,000,000.

In addition, during all or part of the fiscal year, 22 fruit and vegetable marketing agreements were in effect, but not all in operation, covering about 208,000 growers, and commodities valued at \$445,000,000. Due to the provision of the act which prohibits regulation under a fruit and vegetable marketing agreement and order when prices are above parity, only 6 of the 22 agreements

and orders were actually active during the past year although they remain in effect so they can be used when prices reach parity or below.

There are other statutes administered by the Department which are closely related to marketing, such as the Insecticide Act, the Cotton Statistics Act, the Cotton Futures Act, the Tobacco Statistics Act, the Produce Agency Act, the Export Apple and Pear Act, the Naval Stores Act, and a few others. There are also other services such as crop and livestock reporting and economic and statistical analysis work. They can be explained in detail as and when the committee may desire.

II. MARKETING LARGELY AN INTERSTATE PROBLEM

In the early days of this country most of our farms were largely self-sufficient, producing largely for their own use or for exchange with their neighbors, but through the years specialization has developed to the point where nearly all farm products are produced for sale, not in their immediate locality, but in more distant markets. This trend has progressed far enough that the major part of the agricultural production now moves in interstate commerce. In early days most of the marketing problems were largely local, later they became matter of concern largely within one State or other small area, but now they have reached the place where every serious marketing problem is of concern to several States if not to the entire country. This means that it is much more difficult to solve marketing problems now than it was when they could be treated on a local basis. Many more people are involved. To solve any particular problem requires action of farmers, dealers, and others scattered over a wide area. New problems can be solved by an individual city, county, or State working independently on the problem. Coordination of efforts is imperative or the activity is likely to be unproductive.

In carrying on the marketing work of the Department we have cooperated with State agencies in many of our activities. At the present time we have about 400 cooperative agreements with States in this field. Nearly all our inspection and grading work on fruits, vegetables, dairy and poultry products is carried on cooperatively with State agencies interested in marketing. Much of our market news service is cooperatively handled. In the administration of the Federal Seed Act our employees and employees of the States are working closely together.

These cooperative relationships with the States have been highly satisfactory, both to the Department and to the States as well as to the persons who obtain the benefits of the service. In my opinion much new marketing work can be undertaken cooperatively between the Federal Department and the various State agencies, but I do not look for any great accomplishments in the marketing field if they are conducted independently and solely on the basis of small geographic areas whether it be a State or some other political subdivision. Marketing problems have outgrown such local treatment just as the communication system has outgrown the telephone lines of a small town. Marketing is primarily an interstate affair and its problems must be handled on an interstate basis. This means in my opinion that the Federal Government must interest itself more and more in marketing problems and take the leadership in developing coordinated marketing work with and among the State agencies, considering the suggestions of the States and trying to tie all the work together into a coordinated pattern.

III. MARKETING SYSTEM NEEDS IMPROVEMENT

The United States has a good marketing system for carrying farm products from the farm to the consumer. I do not believe anyone in any country in this age or in earlier history has devised a better system on the scale we must use in this country and consistent with the principles upon which the United States has been built and prospered. It has been built on private enterprise and the dependence on individual initiative to bring improvements. It is agreed that in the distribution and processing of some products there are more processing plants or more wholesalers or more retailers operating than are needed and that there are other wasteful practices. Basically we rely on competition to take care of such situations and to correct such inefficiencies. It is true that competition does not do a perfect job in correcting them, but at the same time I know of no system of planned economy which brings any higher standard of perfection or satisfaction in distribution.

Under our system new developments do some in and come rather promptly. For instance, we have developed refrigerated storage and transportation so that the most highly perishable products can be carried with comparatively little loss throughout the entire country, but there is still opportunity for further improvement. We have developed methods of holding many perishable products from the time of production until the time when the consumer needs them throughout the year. We have developed our distributive system to the point where the average consumer can go into a store anywhere at any time and obtain almost any food product that he wants. We have a system which will move even the grade or quality of a product in most demand to each market. As automobiles and trucks were developed the marketing system has adopted these inventions and has been modified to take advantage of them. New ideas in marketing developed by one group of handlers are eventually adopted by most of the others. Throughout the entire distributive system we can point to numerous illustrations of progress that have been made in our competitive way through private enterprise, which is our American way of action.

We have heard and no doubt will continue to hear a great deal of complaint about marketing costing too much. We hear more of those complaints when prices and consumer incomes are low. People point to the wide price spread between the producer and the consumer. They are disturbed by the fact that products may be left on the farms on the west coast while consumers in New York City might like to have them. They see the faults in our inadequate marketing facilities for handling perishables where in spite of the development of rail transportation most of the facilities have not moved to the railroad or brought the railroad to the facility, necessitating unnecessary cartage. They can go through the various parts of our marketing system and find these weaknesses in the same manner as I have pointed out the elements of strength.

We must all acknowledge the presence of these inefficiencies and these improper practices in our marketing system. At the same time, it seems apparent that the answer is not to conclude that our marketing system is so bad that it should be discarded and some new theoretical and untried plan adopted. I do not believe that is the answer. Since we have the best marketing system yet developed according to our way of doing things, it would seem more logical to continue with it by finding the things that are wrong with it and devising means for correcting them. We cannot correct the weaknesses by generalizing on the subject.

Conditions can be improved only by finding those specific features which need changing. Nobody in this country has given enough study to the different parts of our marketing system to be able to lay out a complete program of improvement. The Department has only meager information because there has not been enough study. To find the answers study must be continuous. It is suggested that this committee might wish to consider a few specific things upon which action might be taken now, and then set in motion some method of finding out other steps that could be taken from time to time in the future.

Improvements in the marketing system are a continuing process. We can make improvements for which we now see the need, find other weaknesses and correct them in the next year or two, and then continue to find still other problems as fast as they appear and find solutions for as many of them as possible. In my opinion the way to improve distribution lies not in Government purchase and distribution of commodities, but in Government and industry cooperation. We know that competition and individual enterprise will not give a perfect system, but those two characteristics when aided with proper Government research, service, and regulation, in a kind of Government-industry partnership, will bring the marketing system more nearly to a state of perfection than either Government operation or unrestricted and unregulated competition in private enterprise.

Food distribution is still essentially an operation by small businessmen. Therefore, the Government, with the help of State and other agencies, should take the lead in marketing research and in recommending improvements. It should provide the services which the individual parts of the distributive system cannot satisfactorily get along without and cannot perform for themselves. There should be some umpire to keep the business operating on a high plane of fair dealing. In such matters as these the Government can help make our existing marketing system work better.

IV. SOME SUGGESTIONS FOR IMMEDIATE CONSIDERATION

Some of the service and regulatory work which was begun several years ago is now inadequate. Steps need to be taken to bring it up to date because conditions have changed. The commodity specialists will discuss some of these things in more detail, but I should like to give a few illustrations:

1. *Market information inadequate*

The Market News Service is inadequate in many respects for meeting present-day needs. It is particularly weak on dairy and poultry products. These products account for about 30 percent of the total farm income and we have only four dairy and poultry market news offices in the country where reasonably complete coverage is maintained. Adequate information as to shipments, supplies, and prices by grade and kind is lacking. Certainly, as a minimum we should obtain in from 14 to 18 of the biggest price-making markets in the country the basic market information that is needed on these products. If satisfactory coverage were available on this relatively small number of markets the marketing system would be better fortified for dealing with the problems that arise, and producers would be materially assisted in planning their operations and checking up on the returns which they get when they sell their products. The dairy and poultry commodity group has by far the poorest market news coverage of any of the major commodities.

Perhaps the next most serious defect in the market news service is the inadequacy of information on movement by truck. In few markets do we have information on supplies which arrive by truck, even though this method of transportation is becoming increasingly important. It is roughly estimated that nearly half the receipts of fruits and vegetables at 40 of the largest terminal markets arrive by truck; 98 percent of the live poultry and 60 percent of the eggs received in 16 large cities are transported by truck; at 68 public stockyards, 69 percent of the cattle and 70 percent of the hogs arrive by truck. Obviously, we cannot say that information on commodity movement covering railroad receipts only is adequate.

Adequate marketing and crop information is highly important in price-support work, particularly with respect to perishable products. I think there is general agreement that Federal funds for purchase and diversion should be used only when other means fail to attain the price support objective. It is preferable to try to reach that objective by providing sufficient information which farmers may use as a guide to balance production with demand, and by using the regular marketing system to dispose of their output. It is important, therefore, that producers, shippers, and wholesalers be encouraged to effectuate an orderly movement of these commodities to market, and that retailers stimulate additional demand by vigorous sales campaigns during times of heavy supply in order to keep the Government out of the market as much as possible.

This requires that definite and dependable information be available on time as to prospective supplies available for market by principal producing areas, and the dates when marketing will begin in volume, so that plans can be made, by retail groups especially, to feature and push sales when supplies are most plentiful. The Department has made a start in this kind of work but more should be done. A good illustration of this occurred in the Southeast during the past year with a record peach crop. A good many people thought the Government would have to buy large quantities of peaches and have them canned or otherwise disposed of in order to prevent prices from dropping to ruinously low levels. Wholesalers and retailers, however, responded to the call of the Department and pushed peaches during the season of heavy supply. Even with the scarcity of sugar, consumer demand was such that the crop was marketed at prices above any necessary support level without the use of Government funds. As a matter of fact the marketing agreement and order for Georgia peaches had to be suspended because peaches were averaging above parity. Another illustration is the work now going on in connection with the marketing of hogs. Marketings of hogs this winter were expected to be large but not excessive. Meat packing plants in the last few months have had difficulty in obtaining skilled labor.

Consequently, they have not been able to expand their operations as quickly as they were formerly able to do. The Production and Marketing Administra-

tion advised farmers several weeks ago that they should exercise caution when their spring pigs were ready for market. It was suggested that appropriate steps be taken through the State and county committees to acquaint farmers with the situation. Material was prepared for the use of State and county committees in keeping producers informed. There is considerable evidence to indicate that the distribution of this material to farmers has had desirable results. Except for a brief period in early December the seasonal increase in hog marketings has been gradual and hog prices continued at ceiling levels. When the sharp increase in marketings began in early December, efforts to inform farmers were intensified. Within a week a more normal flow of marketings began and prices advanced again to ceiling levels. Strengthening and further developing work of this kind will help the marketing system to meet the needs of producers.

2. Marketing Agreement Act

This act also is designed to bring about more orderly marketing of farm products, through the efforts of producers themselves. During the war most of the agreements and orders for fruits and vegetables had to be suspended because of the parity limitation in the act. From now on it should be possible for producers to develop more fully the potential possibilities of the act as a means of aiding them in marketing their products. Experience has indicated the need of making the act somewhat more flexible, especially for fresh fruits and vegetables, without changing its basic concept. For example, it would appear advisable to amend the Act to permit agreements and orders to contain provisions which would permit restrictions of shipments which do not meet minimum standards of quality or maturity, to require inspection, and to authorize the collection of assessments, even though prices may be above parity. This method of approach could be used for carrying out other improvements in marketing.

3. Work on freight rates

While the work on freight rates has been highly productive, as I have previously pointed out, here too our work has been confined almost entirely to the problems of transporting by rail. In the face of the figures just quoted on the importance of truck transportation to farmers, obviously more attention should be given to problems of truck transportation, the services rendered, and the rates charged. Possibly the committee might want to review, or arrange for a comprehensive review of, legislation and regulations which have come into existence during the past 10 years with respect to the use of motortrucks in the transportation of farm products to market. Some of these procedures do not appear to be designed to get the maximum benefit from this relatively new method of transport.

Regulations have been prescribed which prevent economic operation of trucks hauling farm products. Trucks have opened up new markets for farmers and have brought important changes in the marketing system and in effect have brought the farmer and his market closer together. They have brought new problems and evils in different forms, but the advantages of this method of transportation should be protected. It would seem desirable, therefore, not only to prevent unreasonable trucking charges, but also to oppose undesirable regulations, combat the formation of combinations for the purpose of restricting competition, obtain satisfactory and responsible trucking service, restrain unfair practices, and take all action necessary to permit the economic operation of trucks in that part of the transportation field for which they are best suited. So far as we can ascertain, comparatively little is being done by anyone on this approach to that problem of transportation.

Transportation is the largest single element of expense in the marketing of farm products, and no marketing investigation can be considered complete that does not at some stage go thoroughly into this question. All incentives to reduce costs and to improve service should be explored and encouraged regardless of the form of transportation. This committee might influence the development of a sound transportation policy to guide all agencies that are concerned with making transportation serve the greatest public good.

4. Packers and Stockyards Act needs revision

The Packers and Stockyards Act needs to be revised and brought up to date. When the act was passed about 25 years ago most of the livestock moved through a comparatively few central markets. Since then numerous smaller livestock markets and packing centers have developed throughout the livestock producing areas so that the percentage of livestock marketed through the central markets

has constantly diminished, and the establishment of proper rules for trading and proper charges on a few of the markets is no longer adequate for dealing with the problem of regulating livestock marketing in the broader sense.

5. *Standard container acts*

The standard container acts previously mentioned apply only to baskets and hampers for fresh fruits and vegetables. Trading in these commodities could be facilitated, marketing costs could be reduced somewhat, and much confusion eliminated if other types of containers such as crates, boxes, and cartons also were brought under regulation. The reduction in the number of sizes of baskets and hampers in use prior to the enactment of the existing standard container acts has previously been mentioned in this statement.

In order to conserve critical materials during the war, WPB Order L-232 was issued under which the number of such containers permitted to be manufactured was reduced to 68, compared with approximately 500 or more in use prior to the war. Since this order has been canceled, representatives of the industry have expressed apprehension at the prospect of returning to the previous confused situation. It is hoped that this committee will give consideration to taking advantage of the lessons learned during the war in this field. Standardization of such containers protects against fraud from undersized containers or those that are deceptive in appearance, prevents needless competition among manufacturers, and facilitates handling in transportation and storage and in quoting prices. For example, it hardly seems necessary to have more than 50 different sizes and styles of crates for celery.

There is also need for standardization in sizes of containers used in the packing and marketing of canned fruits and vegetables, but as that problem varies considerably from that for fresh fruits and vegetables, it is suggested that it be considered separately.

6. *Insecticide Act*

It is of great importance to farmers to be sure that the insecticides sold them are not misrepresented. The present act, passed in 1910, has accomplished a great deal in protecting farmers and the public in the marketing of insecticides and fungicides, but the act can be greatly improved. H. R. 4851 was recently introduced by the chairman of this committee, and it is hoped early action may be taken upon it.

7. *Twenty-eight hour law*

The 28-hour law, requiring the unloading of livestock in transit for feed, water, and rest is grossly inadequate. It was passed in 1873 and was revised in 1906. Under this there is no authority for the Secretary of Agriculture to issue regulations, so there has been no change in the administration of the act in 40 years, even though there have been significant changes in the transportation of livestock. To illustrate, although probably half the livestock goes to market by truck the act does not apply to truck transportation. Congress thought that it was passing a 28-hour law, but as a result of the decisions of the courts and the practices of the railroads, the act is really a 36-hour law because the act permits shippers to give their written consent to the carrier to extend the period to 36 hours, which has become common practice.

The law is not being adequately enforced because no reports can be required from any carrier, and the only way that violations can be detected is for a representative of the Department to go into a railroad freight office and examine the waybills. With less than \$30,000 annually available for administering the act, obviously it is impossible to look at waybills in very many railroad offices. When we find a carrier that has violated the law and he admits his liability, there is no way to effect a settlement except the cumbersome method of preparing a case and sending it through the Department of Justice to be settled by the courts, which consumes a great deal of time of all the people concerned for no very good reason, when the carrier knows that in the end he will have to pay the \$100 fine anyway. During the past year about \$66,000 in fines were assessed by the courts. This act is in need of rewriting if the Congress still wants to continue to require that livestock be unloaded for feed, water, and rest while being transported.

8. *Warehouse Act*

More attention is needed with respect to the warehousing of farm products. Obviously it is of great importance to farmers, cooperative-marketing associations, banking institutions, merchants, and to the Government in its lending

and price-support operations to have warehouses where products can be stored with a maximum of safety from both physical and financial loss. Proper warehousing cuts down financial loss, reduces risk and interest charges, and is of great value in preventing the spoilage of products. The Federal Warehouse Act has been the outstanding example of constructive action to bring about better warehousing. It has been highly successful in preventing losses and improper practices in the warehouses that are in the system, because we know of no storer who has suffered financial loss on products stored in federally licensed warehouses. But licensing under the act is optional with the warehouseman. About 20 percent of the grain is stored in federally licensed warehouses and about half of the cotton.

We have in the Federal warehouse system about 1,340 warehouses, but nothing is being done by way of supervision by the Federal Government to provide better warehousing for products stored in unlicensed warehouses. Some studies show that considerable losses occur from storing farm products in unlicensed warehouses. It seems to me this is a subject on which this committee might want further information. Certain recommendations have been included in some of the investigations of the Federal Trade Commission.

9. Improvement in marketing facilities

It is obvious that terminal markets for the wholesale handling of fruits and vegetables and other perishable commodities are inadequate and that millions of dollars are being needlessly added to the cost of marketing annually by unnecessary and improper handling of these products. Most of these facilities were built decades ago. As a general rule, perishables arriving by rail in the large markets have to be trucked from the railroad to the wholesaler's store or place where sold. The streets in the markets are usually so narrow that trucks bringing produce to and from the buildings often cannot get near the building and supplies must be moved between the building and the trucks by hand or on hand trucks. Many of the buildings are not large enough to accommodate the present volume moving through these markets. Few of the facilities have refrigeration equipment for protecting highly perishable products, resulting in spoilage and deterioration which could be avoided. But these markets are the places where prices are made.

The dealers themselves cannot improve these facilities because they do not have adequate financial resources. Individual dealers cannot move out of the market areas because buyers like to go to one central point to obtain their supplies. Farmers cannot improve these market facilities. With few exceptions the municipalities have done little to provide modern facilities. Some of the States have done some fine work, and others are showing increased interest, but their activities have been mostly in producing areas and in secondary markets.

There is probably no part of the marketing system for food products and probably few parts of our entire economic system as antiquated as these terminal markets, particularly for fresh fruits and vegetables. The Department has no authority to correct these conditions and little constructive work is being done by anybody, although the need for improvement is recognized by growers, wholesalers, retailers, and consumers. In a very limited way the Department is gathering information and giving such advice as it can. Of course, those who are engaged in carting the supplies from one point to another prefer not to see any improvement, nor do the owners of the present antiquated facilities who are collecting good rents. Thus we have no organization to take the initiative to bring about improved conditions against strong pressure to keep anything from being done. It seems reasonable to conclude that not much will be done to modernize these large wholesale markets for handling perishables unless this committee does something about it.

I have made several suggestions for your consideration. Specialists in the Department can go into further detail as you desire. Most of us in the Department who are working on problems related to marketing are engaged in administering laws or services, and programs specifically provided for by Congress. These assignments do not permit much work to be done in the nature of fundamental research in marketing. More work of that kind needs to be done, and this committee may wish to consider more specific provision for it so definite recommendations can be made to you from time to time. There is comparatively little information on the costs, wastes, and inefficiencies of marketing, item by item, through the channels of distribution. Such information is fundamental in

any thorough study of our marketing system. It would focus attention on weak spots and indicate steps for improvements which might be taken by all concerned, Government and private business.

A group of well-trained people familiar with the marketing system and working closely with farm and trade organizations and State institutions could produce significant results, not only as to possible improvements which might grow out of such studies but to provide information to the public regarding marketing costs and what makes up the margins between what the producer receives and what the consumer pays. Possible economies and increased efficiency is so important to agriculture and the public that this committee may want to make sure that adequate attention is given to them. By following such a course the Government will be continually working to assist farmers in moving the greatest possible quantity of products to market with reasonable income to themselves, provide consumers with an abundant supply of the commodities which they need to make up a satisfactory standard of living, assist distributors in improving their operations both from an economic and ethical point of view, and in the end will keep the marketing of farm products in private hands and minimize the extent to which Government funds have to be used in marketing operations as a means of price support.

I think this point is especially important. It means having people who know, or can be trained to know, the actual problems and methods of marketing, and who work on those problems just as the scientists have laboriously worked out better ways of increasing the efficiency of production and whose findings have been put into use by gradual adoption and without the force of law. Efficiency in production has progressed more rapidly than efficiency in distribution. If this committee can lay the foundation and follow it up to develop the same kind of fact finding and analysis for marketing as has been done for production, I believe results will follow through the years ahead that will be of lasting benefit to agriculture and to all the people of the United States.

The CHAIRMAN. Mr. Kitchen, from the Secretary's letter the Department seems to be in accord with the objectives of the legislation—the only difference seems to be as to the mechanics.

At the present time how many of the divisions in the Department of Agriculture are dealing with one phase or another of marketing?

Mr. KITCHEN. Of course, the major part of the marketing activities are in the Production and Marketing Administration, Mr. Chairman. The Extension Service is doing some work in marketing. There is some research work on marketing being done by the experiment stations and the Bureau of Plant Industry. The Bureau of Agriculture Economics also is doing some research work of a general nature in marketing, and the Farm Credit Administration has the cooperative marketing division that was established by the act of 1926.

The important point that I desire to make to the committee, however, is that there is comparatively little intensive research work being done in the field of marketing and nothing to be compared with what has been done and is being done in the field of production. I would not for a moment minimize their importance in the field of production but I do feel we should bring the work of marketing to a comparative level, and in view of the organizational history that I pointed out in the statement I am personally convinced that until the research work on marketing and the service and regulatory work that must accompany it is put under one bureau, with people whose primary duties are devoted to developing that field we will not make the progress that is needed.

I am not criticizing the men in the Department—the men who make the policies—but they are so heavily burdened with the problems of price support, of buying and selling commodities and the handling of production action programs and relief feeding programs that marketing is not receiving the attention it deserves.

The CHAIRMAN. Mr. Kitchen, as a matter of fact, the production and marketing activities of the Department are under one head and production has more or less overshadowed marketing. There is no one in the Department employed primarily with the duty of looking after the marketing activities?

Mr. KITCHEN. I think that is a correct statement. I would like to add, Mr. Chairman, that the terms "Production and Marketing Administration" may be somewhat of a misnomer, because the Production and Marketing Administration does not have within it research work on production; that is handled in the Agricultural Research Administration and other agencies, and the point I was making in my statement is that we should elevate marketing research to the same level as research in production. Under this bill we would have the Agricultural Research Administration for production research and the Agricultural Marketing Administration to be responsible for marketing.

The CHAIRMAN. And have someone in charge of marketing charged with the duty of looking after marketing activities.

Mr. KITCHEN. That is right.

The CHAIRMAN. Both regulatory and research.

Mr. KITCHEN. That is right.

The CHAIRMAN. There ought to be someone in the Department responsible for marketing and nothing else.

Mr. KITCHEN. And who would not be burdened with the problems of price support and other similar programs not directly related to marketing.

Mr. HOPE. Mr. Kitchen, you just mentioned Production and Marketing Administration and you have indicated that its duties, as far as the term "Marketing" would cover, have been confined to action programs. Is that correct?

Mr. KITCHEN. Yes.

Mr. HOPE. And if that is true the establishment of this new agency in the Department to conduct research in marketing and carry out related activities would not in any way be conflicting or a duplication of the work which is now being done in the Production and Marketing Administration, would it?

Mr. KITCHEN. It need not be; no, Mr. Hope.

Mr. HOPE. It would be work that is not now being done in that organization; is that correct?

Mr. KITCHEN. It would include work that is now being done, plus the very much needed additional research for which the bill provides, with the additional funds included in it.

Mr. HOPE. What actual functions that are now being exercised by the Production and Marketing Administration would have to be transferred to the new agency if this bill should become law in its present form?

Mr. KITCHEN. If you have a copy of the committee print in front of you, Mr. Hope, you will notice on page 20, beginning in line 10, is set out a list of the activities that would be transferred to the Agricultural Marketing Administration.

And in that same subsection reference is made to research activities in connection with marketing, which are now authorized. There are items in the appropriation act which permits and which will provide for a comparatively small amount of money, much of which has been

used in connection with the developments of standards for farm products and there is some work in connection with marketing research being done with section 32 funds under the Agriculture Adjustment Act, which deals primarily with studies for modernizing facilities in terminal markets. Those would be transferred. And then the services, such as the market news and the inspection, would also be put into the new organization, and that is pretty well spelled out in this bill.

Mr. HOPE. The transfer would, of course, not include any of the activities that are being carried out by the Production and Marketing Administration which relate to price support, Government purchases, and that type of activity?

Mr. KITCHEN. No. Subsection (m) on page 20 of the committee print specifically prohibits the proposed Administration from engaging in buying and selling of agriculture products for the purpose of supporting price.

Mr. HOPE. You are familiar with the personnel and functions of the Agricultural Production and Marketing Administration. I would like to ask you if it is not a fact that as far as the marketing end is concerned that the Administration is concerning itself almost exclusively, as it is presently set up, to the Government buying and selling program and is not concerned with the matter of research and development of wider markets for agriculture products or any related activity?

Mr. KITCHEN. I think that is approximately correct, Mr. Hope. There have been quite a few changes since I left the Department of Agriculture, but I think it would be fair to say that the men who are in the most responsible administrative positions and the ones who might be called upon to assist in formulating policy are not men who have been devoting very much attention to marketing activities or the improvement of the present marketing system, and even if they were, I think, it would also be fair to say that their attention is so much taken up with buying and selling operations that they have very little time to give to it. If there is any great interest in developing real intensive research in the field of marketing to improve the present marketing system it has been manifested since I left the Department.

Mr. HOPE. In the report which the committee has received from the Department of Agriculture with reference to H. R. 6692 there was attached to the report submitted on this bill a statement which outlined practically the same objectives that are contained in 6692, but it does not set up an operating agency in the Department but gives the power to the Secretary to be exercised by him. I would like to have you express an opinion as to whether under that set-up you feel we could have as effective a program of research and study and the application of those studies to the marketing problem of the farmers of this country as we would have if we set up an agency as is done in H. R. 6692, which is created especially for that purpose.

Mr. KITCHEN. Naturally, I do not like to disagree with the Department but I am very well convinced, Mr. Hope, that until there is an organization in the Department that is devoting itself to the objectives of your bill and is giving its entire attention to the matters therein outlined we will not make the progress that should be made.

We can only judge what would be done by the past, and I think the history of the organization of marketing work in the Department makes it quite clear that there has been no stability among these organizations, and if it is to be left entirely for the Department to move these activities about every time there is a change in the head of the Department or a new group develops a different idea of organization I would expect that we would have a continuation of what has been going on over the last 5 or 6 years with little real progress being made in the field of marketing.

I see no reason why marketing has not reached the point of importance to organize in the Department a separate administration, with the necessary stability, that will attract qualified people who will stay with it, make it their life work, and try to develop as much service to the producers of the United States in the improvement of the distribution system as we have done in the improvement of production. I think that most of the problems that will come before this committee in the next several years in relation to agriculture will be concerned more with the problems of distribution than they will be with problems of production, except as we may have too much production.

Mr. HOPE. And if we do have too much production it will be all the more important.

Mr. KITCHEN. Yes.

Mr. HOPE. Which would mean that we should give more attention to the question of marketing and distribution.

Mr. KITCHEN. That is right.

Mr. COOLEY. Will the gentleman yield for a question?

Mr. HOPE. Yes, Mr. Cooley.

Mr. COOLEY. Mr. Kitchen, is that not all the more reason why we should be careful to try to protect the section 32 funds?

Mr. KITCHEN. That is a matter of opinion, Mr. Cooley. We can argue that section 32 was set up exclusively to pay export subsidies and to remove seasonal surpluses of commodities, such as fruits and vegetables, that were not included in the basic crops. The Commodity Credit Corporation has a capital funds, as I recall now, of something more than \$4,000,000,000 and is the chief agency to support farm prices. Section 32 will never be able to deal with all agricultural surpluses, if we are considering agriculture as a whole.

One of the purposes of section 32 is to encourage greater domestic consumption, and if we should take 10 percent out of these funds and try to find out how we could encourage more domestic consumption in the United States by doing a better job of marketing, it would seem to me that the money would be well spent and that by so doing we could reduce to some extent the amounts needed to be spent for buying commodities and giving them away.

Mr. COOLEY. I am not saying that it would not be well spent, but, as suggested by Mr. Poage, if this is for a good cause, why should we take money that has already been earmarked for another purpose that has done so much good, out of a trust fund so to speak, rather than appropriating it directly out of the general Treasury?

Mr. KITCHEN. But a part of that money, Mr. Cooley, is being used for activities other than purchase or export subsidies.

Mr. COOLEY. As in the school-lunch program.

Mr. KITCHEN. I think you have now taken care of the school-lunch program; I think that has been taken out so there would be about \$50,000,000 that was formerly used in that program that will now be available for other purposes.

Mr. COOLEY. I have been in favor of that, but I am impressed with the idea that it is desirable to try to protect section 32 funds for the special purposes for which the Congress set that money aside.

Mr. KITCHEN. I agree with that thought. I would like to have the committee understand, and I think the Department people will bear me out in this, that some of the section 32 funds now are being used on various marketing research activities, and of course the administration of the Agricultural Marketing Agreements Act is borne entirely from section 32 funds.

Mr. PACE. Is there any question but what this section about transferring the section 32 funds is appropriation on a legislative bill, and therefore subject to a point of order?

Mr. KITCHEN. I would hardly feel competent to advise you on that. I thought it was merely an undertaking to earmark a certain part of the funds that Congress had already provided for this purpose. And I do not understand that the purposes set forth in this bill go beyond the authority now carried in section 32.

Mr. PACE. I do not know of any greater purpose to which section 32 funds could be put than to expand the marketing system and trying to establish an orderly marketing system. But I do think that the time has come when this committee should give consideration to revising the entire section 32 legislation to decide definitely what we are going to do with it.

Mr. KITCHEN. I should think that would be entirely proper. If the committee decides that section 32 money should not be used for the purposes here indicated, then I would hope that these same purposes would be provided for by direct appropriation.

I would like to comment, however, that I think we would get a better job on marketing research done if we could use section 32 funds, because it is an automatic appropriation, and I think we would have somewhat more stability in the development of a program than we will have with the fluctuations that inevitably occur in connection with direct appropriations.

Mr. COOLEY. If 10 percent is provided you would have the same question of fluctuation; would you not?

Mr. KITCHEN. No. The committee print provides for a definite fund rather than a percentage.

Mr. COOLEY. I see.

Mr. POAGE. What is the objection to making a direct appropriation if this is a worthy project? If this is a direct appropriation, and I think probably Mr. Pace is right that it would be subject to a point of order if it is an appropriation. And if it is an authorization, if we have got to have an appropriation every year, why not make the appropriation directly from the Treasury? The point I am trying to develop is that if this is an appropriation it is clearly subject to a point of order.

Mr. KITCHEN. I would not know about whether it would be subject to a point of order, but I feel, Mr. Poage, that if this is put in it will make certain that section 32 funds could be used for the purposes

for which they are appropriated and which are consistent with this bill.

Mr. POAGE. If this is just an appropriation of money clearly it is subject to a point of order, and the point will be made. And if it does not do that it would have to be done each year.

Mr. KITCHEN. You really will have to determine that.

Mr. POAGE. And if it has to be done each year why should we take the money out of a trust fund rather than take it out of the Treasury?

Mr. KITCHEN. If this is held, of course, to be nothing but an authorization the point I attempted to make would have no advantage, but I did not assume that that would be the interpretation.

Mr. POAGE. I doubt if it is; but if it is an appropriation on a legislative bill it is subject to a point of order.

Mr. KITCHEN. You would know that better than I.

Mr. POAGE. It has got to be one or the other; either an appropriation or an authorization.

Mr. KITCHEN. Yes.

Mr. POAGE. And the point I am developing is this: What objection could there be, if this is a worth-while project, to appropriating the money directly from the Treasury? And certainly this is for a worth-while purpose.

Mr. KITCHEN. It certainly is.

Mr. POAGE. I think it should stand on its own feet rather than having it interfere with a program that has already been established and, I think, is one of the best we have in operation.

Mr. KITCHEN. As you know, the requirements for the use of section 32 funds vary from year to year, and sometimes a large balance has been left over because no one can predict when these surpluses will develop, especially for the perishable commodities.

The CHAIRMAN. Mr. Poage, the committee will have to adjourn at 11 o'clock because the House is meeting at that time. Section 32 funds is something the committee can deal with later. Mr. Kitchen has to leave this evening on account of the death of his mother, and I would like for us to be able to conclude with his testimony this morning if we can.

Mr. POAGE. Certainly.

Mr. PACE. Mr. Kitchen, I notice on page 20, in subsection (m), there is an express prohibition against this new agency handling the support-price program.

Mr. KITCHEN. Yes.

Mr. PACE. I am wondering if it is the smart thing to do, to put an absolute prohibition in. We have a situation right at this very hour that will illustrate what I have in mind. As you know, the Department this year guaranteed the Irish-potato producers a certain minimum price, and appeals have come to me and to other Members of Congress, particularly from North Carolina and Tennessee, that at this very moment they have a world of potatoes down there. The Department has put a support price on them. The farmers would be glad to have the Department take them over, but the Department cannot use them.

It does seem to me, just by reason of situations of that kind, that there is a pretty close tie between the Marketing Administration and the support-price program. That is to say, if, as is happening now, and

assume that the Marketing Administration were set up as is proposed in this bill, and you were the Administrator, and you have gone out to guarantee the producers a support price under a law, and the purpose is to build up the machinery necessary to find markets, I do not see why we should write into the bill at the same time that this agency should not handle support-price operations. I do not quite see the wisdom of writing into the bill a statement that you could or that you could not come in and handle the support-price program. Do you see the point I am making?

Mr. KITCHEN. This is intended, as I understand the purpose of the legislation, Mr. Pace, to say that the new Administration should not actually go down to North Carolina, for instance, and buy potatoes; to look after the purchase and sale of those potatoes.

Mr. PACE. May be it should do that. Suppose you are the Administrator, and you found it necessary to give financial assistance, or to make loans, or to engage in the buying and selling of agricultural products, for the purpose of supporting price; or suppose the Secretary of Agriculture should want to use this administration, and has guaranteed the price for Irish potatoes, sweetpotatoes, or beans; or suppose it has been determined that there should be an increase in production of potatoes; should not the administration have the authority to handle the support program?

The point I am making is not whether this should be done or should not be done, but the wisdom of writing in the law an absolute prohibition under which it cannot be done.

Mr. KITCHEN. I am a little afraid, Mr. Pace, that if you do not write it in we will have the same situation we have had. Certainly this proposed administration would have as one of its primary functions that of trying to find new outlets for these potatoes.

Mr. PACE. That is right.

Mr. KITCHEN. And the purpose would be to help move them; perhaps to encourage special sales campaign to get them moved, insofar as practicable, without the Government having to step into the picture.

Mr. PACE. Yes; but you have a situation like this: Somebody is furnishing money.

Mr. KITCHEN. Yes.

Mr. PACE. Some department, or division is furnishing money and is responsible for the proper handling of the price support program. You would not be financially responsible, not immediately concerned about the support program. Your only job would be to go down there and move the potatoes.

Mr. KITCHEN. But the new administration would not do the actual buying and selling—the Commodity Credit Corporation would do that.

Mr. PACE. I understand you would not. Your purpose would be to market the commodities on which the Department has given a support price, and under those circumstances it seems to me that you would have an immediate concern not only in the marketing but in saving every dollar you could.

Mr. KITCHEN. I do not see that this prohibition would interfere with that.

Mr. HORE. It seems to me that that goes to the very heart of the thing that we are trying to do here; whether or not we are going to set up a research agency or whether you are simply going to continue the present program which we have in the marketing set-up that we have down there.

What we hope to do under a research program of this kind in marketing is to develop, not Government markets or outlets for these commodities, but the normal, natural markets for them, so that we shall not have to have Government support prices for these commodities. If you do have to have them, we have an agency already set up down there and functioning expressly for that purpose.

Mr. PACE. I get your thought there. Assume this agency is established. Then it is your idea that the Commodity Credit should announce the support program and administer the support program, but that this agency should handle the marketing of the commodities supported by the program.

Mr. HORE. I do not think this agency should handle marketing at all. It should conduct research. It should not handle marketing any more than the Production Research Administration goes out and operates farms. My notion is that the information developed by this agency should be available to everybody—the trade, the producer, the consumer, and to the Production Marketing Administration, as far as that goes—but it should not operate as an actual agency.

Mr. KITCHEN. May I use an illustration there? Year before last, Mr. Pace, there was a tremendous crop of peaches in Georgia. People thought we would have to buy peaches in the Department to support the price. The organization that I am now with made a special effort and put on a special drive through the trade to handle Georgia peaches. The result was that the peach crop was marketed at practically ceiling prices without the Government having to buy a single car. That is the kind of thing this Administration would do; but if the situation developed that peaches had to be bought, then let the Commodity Credit Corporation buy them and take care of them. This Administration would not. That is the difference.

Mr. PACE. If I get your idea and Mr. Hope's, you would be standing by merely as an advisory agency telling how to market them and where to market them.

Mr. KITCHEN. Develop information through research and every other means to make the commercial system function better and handle the products just so far as they can be handled.

Mr. PACE. As I understand it, then, this agency would handle the reporting of quantities of production and daily market prices.

Mr. KITCHEN. Oh, yes; the daily market prices and that sort of thing, but this bill does not require the crop-reporting service to be taken out of the Bureau of Agricultural Economics and put in this proposed administration.

Mr. PACE. You think this prohibition should be in here?

Mr. KITCHEN. I am inclined to think so. I think it is one of the fundamental provisions.

Mr. COOLEY. I would like to call your attention to the language at the bottom of pages 22 and 23. Do you think that language is broad enough to authorize the desired amount of cooperation between the States and the Federal Government?

Mr. KITCHEN. I believe it is, Mr. Cooley. It seems to me it is pretty broad.

Mr. COOLEY. I have been very anxious to see the marketing activities of the Federal Government and State agencies coordinated and functioning together.

Mr. KITCHEN. That is right. I think this would permit that to be carried out. So far as I know—I have not talked with many—but I understand a number of the Commissioners of Agriculture feel that this, while it will not do what they wanted in the bill that you had introduced, it would make a good workable basis for cooperation.

The CHAIRMAN. Now, Mr. Kitchen, the hour of adjournment has arrived, and I know that there are other questions that the committee members would like to have answered. We will keep the hearings open so that the other committee members will have an opportunity to develop their thought on this legislation, and we thank you for your appearance.

Mr. VOORHIS. I have a statement that I would like to file in connection with this legislation on behalf of the rabbit producers in my section.

The CHAIRMAN. Without objection, the statement will be inserted in the record at this point.

(The statement referred to is as follows:)

STATEMENT BY CONGRESSMAN JERRY VOORHIS TO HOUSE COMMITTEE ON AGRICULTURE
CONCERNING NEED FOR EXPANSION OF RESEARCH ON DOMESTIC RABBITS

Mr. Chairman and gentlemen of the committee, I have been asked by the producers of domestic rabbits in southern California, where this branch of animal husbandry is largely concentrated, to speak for them on this bill. Needless to say, the rabbit producers are very much in favor of the passage of the bill.

For many years this industry has been in great need of more intensified study on certain diseases which have plagued it. Notable among these is the disease commonly called "bloat". The development of effective means of combating and controlling this disease would perhaps be the greatest boon to the rabbit breeders of the country that could be provided for them. In order to make this possible, it is necessary that more adequate equipment for the study of disease and disease control be provided at the Fontana Experimental Station in Fontana, Calif. It is also of basic importance that this disease work, not only on bloat, but on other diseases be brought down closer to the commercial rabbitry. In other words, the problem should be studied not only from a theoretical point of view, but also from the point of view of the man who is attempting to make his living out of the production of rabbits. Furthermore, the results of the research should be made readily available to the producers and there should be constant consultation between the individual producers and the people conducting the research work.

There is need also for additional grounds and equipment to carry on research in the nutritional field and in the field of general management practices, including housing, feeding and the general operations affecting rabbit husbandry. In these fields, great good could be accomplished particularly if the research work is carried on in close cooperation with the rabbit breeders themselves, so that the best practices worked out by the men practically engaged in the industry could form the basis of the research work and so that the research work could proceed from that point towards still further improvements. In these matters, once again the all-important thing is a close and cooperative relationship between the research stations conducted by the Government and the people actually engaged in the industry.

Another field where there is need for expanded research work is in the field of breeding, where it is most important to study the practices now followed by the most successful of the breeders and to proceed from that point to the development of the best and most effective standard breeding practices, including such basic matters as the number of kindlings per year per doe which will yield optimum

results, the number of young each doe should be expected to rear, the proper age of both does and bucks for best breeding results, and the comparative desirability of cross breeding and line breeding. Here, again, it is all important that the results of the research be made available in practical fashion to the people engaged in the industry. It should also be stressed with great vigor that the results of nutritional research, as they relate to the best feeding practices and the best feeds, to be used, should be distributed in complete detail to the industry itself. This brings us to the importance of carrying on research which can enable the producers of rabbits to have intimate knowledge of the best types of feed that are available and which they may use for their animals. It is most important that rabbit producers be not dependent upon commercial mixed feeds about which they have little basic knowledge, but that information be developed for them concerning the basic nutritional elements which are necessary for optimum results.

Finally, it is most important that research be conducted in the very important field of marketing and purchasing practices in order that necessary supplies for the industry may be obtained by producers at the most reasonable cost and in order that they may be enabled to narrow as much as possible the spread between what the producer receives and what the consumer pays for his product.

The field of research in the rabbit industry which is as yet relatively untouched is that of byproducts which might be available by utilization of the many vital parts of the animal which now are largely wasted. The meat packing industry generally has gone a very long distance in utilizing practically every portion of the animals which it slaughters. Nothing less than this should be the goal with regard to research on domestic rabbits; and it is altogether probable that were this objective earnestly sought, the results would be, not only to substantially increase the prosperity of the rabbit industry, but also to benefit the nation as a whole very substantially.

In conclusion, I should like to say that the producers of rabbits are very much in favor of the passage of the pending bill and that they look forward to substantial benefits for their industry as a result of it.

Mr. GATHINGS. Mr. H. K. Thatcher, director of the division of agriculture and industry of the Arkansas Resources and Development Commission, is here today, and I would like very much for him to be heard.

The CHAIRMAN. We will hear Mr. Thatcher right now.

STATEMENT OF H. K. THATCHER, DIRECTOR, DIVISION OF AGRICULTURE AND INDUSTRY, ARKANSAS RESOURCES AND DEVELOPMENT COMMISSION

Mr. THATCHER. My name is H. K. Thatcher and I am the director of the division of agriculture and industry of the Arkansas Resources and Development Commission with headquarters at Little Rock, Ark.

I am particularly interested in the two bills now under discussion by this committee, namely, the Flannagan bill which seeks to provide additional moneys for research work in agriculture with stress being laid upon the industrial utilization of agricultural products, and the

Hope bill which provides for the organization of a special agency whose sole purpose it is to develop a satisfactory distribution and marketing service for agricultural products.

I understand that there is a movement on foot to consolidate these two bills and this seems desirable, provided the duties of the various agencies are spelled out in clear enough terms so that duplication and overlapping of authorities will be eliminated and proper coordination and cooperation can be had with State and private agencies interested in the field of agricultural research and marketing.

At this particular time I wish to briefly place before you the necessity for additional research and marketing work for that all-purpose crop called the soybean.

The soybean is a very old crop, having its origin somewhere in China, with its uses almost legendary. Not much attention was paid to this crop in the United States until about 1915 and acreages did not become substantial until around 1921 when there were less than one-half million acres planted in the United States. This acreage grew at a rate of about 1,000,000 acres per year until in 1941 approximately 6,000,000 acres were harvested for beans in the United States. At this period rapid acreage expansion took place until in 1945 there were 10,873,000 acres harvested for beans with a production of 191,722,000 bushels.

Soybeans are grown in practically every State in the Union, with 30 States having sufficient acreage to be considered as soybean producing States by the Crop Reporting Board.

Besides soybeans that are grown for beans alone, all of the States produce nearly as many acres for hay and soil improvement crops as they do for beans.

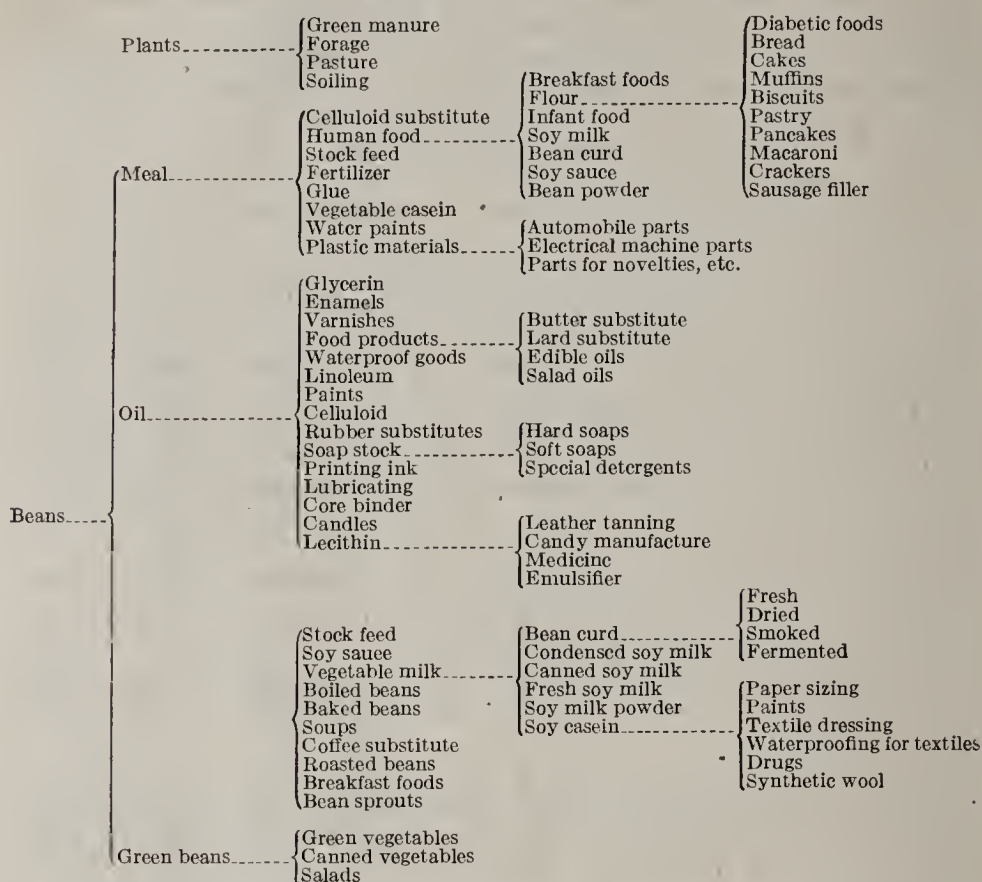
In 1945, according to the Crop Reporting Board, the 10 leading soybean producing States, ranked in production order, were as follows: Illinois (1), Iowa (2), Indiana (3), Ohio (4), Missouri (5), Minnesota (6), Arkansas (7), Kansas (8), North Carolina (9), and Virginia (10).

It should be emphasized that there has already been a tremendous amount of research work done in soybean production. This is evidenced by the increased acreage produced each year. Nevertheless, there is still much work to be done in order to permit the economic expansion of this valuable farm crop.

Incentive for expansion will come as new uses for the crop and its byproducts are found. Your committee is urged to provide the machinery and the funds to do all the required research in order to expand the industrial uses of this crop.

To show you at a glance the versatility of this crop, I am submitting as a part of this statement a chart showing the present known uses of the soybean:

PRESENT KNOWN USES OF SOYBEANS



We in Arkansas are intensely interested in the expansion of our soybean crop. During the 10-year average of 1934 to 1943, we planted 389,000 acres of soybeans in the State. In 1945 we planted a total of 498,000 acres of soybeans for all purposes. During the years of 1934 to 1943, the average yearly harvest of beans was 1,139,000 bushels. In 1945 we harvested 3,344,000 bushels. This shows our expansion in soybean production, and we feel that this production figure can be economically increased and will be increased in direct ratio to our knowledge of utilizing the various component parts of the soybean plant and the various products of the bean itself.

Mr. Chairman and gentlemen of the committee, I would like to tell you also that about 85 percent of the soybean expansion in Arkansas has taken place in the fertile Mississippi River Delta of northeast Arkansas represented in Congress by Mr. E. C. Gathings, a member of the House Agriculture Committee.

Since the soybean is not only a "soiling" plant but furnishes food for both man and animals and, through the process of chemistry, can provide clothing, medicine, plastics, and a host of commercial ingredients almost too numerous to mention, the future of the crop is almost unlimited. We believe in the future of the soybean and again urge the committee to provide amply, but wisely, for future research with this valuable crop.

(Whereupon, the committee adjourned until Friday, June 21, 1946.)

AGRICULTURAL RESEARCH

FRIDAY, JUNE 21, 1946

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. John W. Flannagan, Jr. (chairman) presiding.

The CHAIRMAN. The committee will come to order.

We have with us this morning the State commissioners of agriculture. I have been furnished a list, and I presume that the witnesses are to be called upon as they appear on this list.

I am sorry that the House is meeting this morning at 11 o'clock. I am afraid we are not going to have the time to get through with all the commissioners that desire to appear.

The first on the list is Mr. W. Kerr Scott, commissioner of agriculture for the State of North Carolina. We will be glad to hear you, Mr. Scott.

STATEMENT OF W. KERR SCOTT, COMMISSIONER OF AGRICULTURE FOR THE STATE OF NORTH CAROLINA, RALEIGH, N. C.

Mr. SCOTT. Mr. Chairman and gentlemen of the committee, my name is W. Kerr Scott. I am the commissioner of agriculture for the State of North Carolina; chairman of the Marketing Committee of the Secretaries, Directors, and Commissioners of Agriculture for the United States, and a member of the executive committee.

In this marketing legislation our group has been interested for a long time, and historically so; we have been interested longer than any other organization in the United States, for the reason that the State Departments of Agriculture have been created longer and have been in the picture longer.

In drawing up the Purnell Act back a good many years ago the Purnell Act proposed as a part of its work to do work on marketing research and in the field of marketing, and the commissioners, secretaries, and directors of agriculture in the various States of the Union were asked to join in to help secure the passage of the Purnell Act with the idea of getting some of the funds for marketing research. If you will check back into the various States over a long period of years you will find that the money secured by the Purnell Act in many States never went for research in marketing. Those funds were dissipated in other projects in the general field of agriculture that may have been worth while within themselves but they were not used for the purposes for which they were appropriated by the Congress.

The CHAIRMAN. To what extent, Mr. Scott, were those funds used for marketing research?

Mr. SCOTT. I would say that it would vary in the various States. Over in the State of North Carolina, and they are some of my friends now who are working in the State departments of agriculture and in the research division could, if they wanted to, bear out the testimony that the funds were not always used for marketing research in the State of North Carolina.

When I became commissioner of agriculture for the State of North Carolina one of the very first things that became evident right out of the depression was that the depression at least partially was caused through lack of a proper distribution system. Of course, the depression was not entirely due to that, but partly so. And that became one of the major things that I was interested in, and it was found in the State of North Carolina that the Federal Government and the State government were spending \$100 on production of farm crops for every dollar they were spending on distribution of farm crops or of finding through research ways of distributing or better methods of distribution; that was the Federal and State alone.

The CHAIRMAN. Mr. Scott, that was 100 to 1?

Mr. SCOTT. Around 100 to 1.

The CHAIRMAN. Did that condition prevail in most of the States?

Mr. SCOTT. Yes. That was by State, and I think if you check you will find that a very much larger proportion of all Federal funds that are going into the general field of agriculture at the present time are going into the field of production and not into the field of distribution.

We people on the farm and those who are interested in farming generally recognize that after a crop is actually made in the field that it is only half over; it has got to be harvested and put into the hands of the consumer; in other words, half of the work is involved in that end. And that would be true in the field of agriculture, where you are interested in production of a crop, you have got to give the same amount of energy and time needed in the distribution of that crop.

We now know that distribution is a very complex problem. And I think that a part of the reason, especially at the State level, is that many of the colleges have shied away from actually doing the work that is essential principally because they have never learned the technique of getting into the distribution problem. And, just to cite one little illustration of what I have in mind, and this same thing will happen in many other fields. At Elizabeth City, N. C., we plowed under the garden peas and the cabbage because there was no market for that cabbage, and yet at the same time the papers were full of appeals for products to go to foreign countries and for products in the various markets of this country. Now there was a place for those garden peas and there was a place for the cabbage, but yet all the angles of harvesting it and getting it ready for market and the machinery set up at the proper time is another matter.

Now that is going to happen to a certain extent anyway; you are going to have problems of that kind.

We in the various departments of agriculture are very much interested in research work. I would like to call the attention of the com-

mittee to the fact that at the State levels the Extension Service grew out of the various State departments of agriculture, and the research program in the various land-grant colleges at the State level, grew out of the State departments of agriculture of the various States, in many instances, and were financed on the State level, but now under the land-grant college system the organizations working more directly with the Federal Government are now doing one thing that I think that you Members of Congress ought to carefully watch.

I do not believe that you are getting the full benefits of all the money that you are putting into the land-grant colleges for the simple reason that in the land-grant colleges just as in the departments of agriculture, we have the land-grant college problems—and I am not saying and would not say anything detrimental to them, because it may happen in my own organization, we have various State departments of agriculture that are not functioning any too well; and we have the various land-grant colleges in the field of agriculture that are not functioning any too well, and when you center all the activities there you do not get the results you ought to have.

That is the reason the Federal Government in setting up the Soil Conservation Service had to go out of the Extension Service to get full coverage all over the United States; that is the reason in setting up the triple A they had to set up an organization separate from the various extension services, and at various other places. So if you will look into it you will find that even in the State departments of agriculture we have instances where they do not function so well.

And, in this research bill that you have under consideration, and I want to come back to it a little further: There was introduced several years ago a bill known as the Bailey bill, and that asked for funds for marketing in the various departments of agriculture. The land-grant, the Extension Service, the research people, together with the Farm Bureau, dumped on that bill and killed it for the simple reason that they said it did not include them in the program.

So, we said all right, we are not trying to keep you out of the program. So, the Cooley-Bailey bill was introduced and for some reason or another they killed it, saying they were not properly in the program. And they said the program should include all three. So there was introduced a bill proposing to include the Extension Service, the research people, and the Marketing Division in the various departments of agriculture, and in doing that why they wind up by certain provisions being put in H. R. 1690, asking for their funds separately, and they got it after killing ours, when we asked it, using the Farm Bureau to help see that it should be included.

Then there came out H. R. 1690, that gave the funds to the Extension Service to do marketing work. Then you come along here with the bill that I understand the chairman has just introduced. After the Extension people got the money they came up here, and the land-grant colleges plead with us not to interfere with the bill, and through courtesy we did not say anything about it one way or another and let them go ahead and they got their money. Then we had an agreement with the research people in the States and with the national organization that we will present a bill jointly and we asked for funds jointly for research and for funds to work in the field of marketing. Now what happened there I do not know, but I find that they have come out with a separate bill.

Now, coming down to the present bill, I would like to say this, Mr. Chairman, that I believe you have got to combine all the various marketing activities of agriculture that are in the Department of Agriculture and some of those agencies that are in the departments of agriculture and bring them all under one head.

I do not see how the general marketing program can be coordinated with the activities scattered all over the Department.

The CHAIRMAN. Mr. Scott, this bill does consolidate the activities of the Department under one administration, does it not?

Mr. SCOTT. Yes; and I do not see how it could be made to function otherwise. I think it is essential for its operation. I do not believe you can have the proper service performed and I do not see how it could work as effectively unless it is coordinated under one head.

As to where you are to get the funds, I am not sure as to that. It has been suggested that the money come out of section 32 funds, but I have no particular views on that.

The CHAIRMAN. That is something the committee will have to pass upon. There is going to be opposition offered to the use of section 32 funds. I think it should be taken care of by a direct appropriation, and the committee should recommend a direct appropriation, but that is one of the problems which the committee will have to consider carefully. One of the advantages of using section 32 funds is in knowing you will have a fund that is going to be stable for years.

Mr. SCOTT. Yes.

The CHAIRMAN. And that you would not have to depend upon the decision of a committee to recommend the appropriation from year to year.

Mr. SCOTT. That is right.

The CHAIRMAN. But whether the money should come out of section 32 funds for the purpose of carrying out title II is a problem we have got to consider in executive session.

Mr. SCOTT. We are not particularly interested in just how you secure the funds, but we are interested in seeing that the work is done.

The CHAIRMAN. We have received a report from the Department of Agriculture in which the objectives set out in title II are approved in general, but opposition is expressed to the consolidation in the Department which title II attempts to bring about.

Mr. SCOTT. Yes.

The CHAIRMAN. But I understand from your testimony that you are firmly of the opinion that this consolidation be brought about, and that the administration for marketing would not be able to function in an efficient manner until that is done; and that someone must be in charge of the marketing activities.

Mr. SCOTT. I think that is just as fundamental as it is to have a man in charge of production or utilization research.

The CHAIRMAN. The committee is glad to have your opinion on that phase of the proposed legislation.

Mr. SCOTT. I think it is just as fundamental.

The CHAIRMAN. And you are firmly of that opinion.

Mr. SCOTT. Yes. And in the bill which Mr. Hope has presented I would like to say very strongly that we are very much interested to see that at the State level, where you provide for doing research

work at the State or regional level with the land-grant colleges, that work be done on research with the other State agencies, farm organizations, or private business.

I think that is very, very important. In fact I would say that in the general agriculture picture that that is far more important than you might realize. I can give you an illustration to bear out that point from the State of North Carolina, and I am talking about my own folks now, and I am not saying anything behind their backs that I have not said to them heretofore, but we found that research people, in our State were not interested, at the State level, in the development of a Turkish tobacco.

The CHAIRMAN. What kind of tobacco?

Mr. SCOTT. Turkish. The Duke University tobacco interests realized that there was a possibility that one of the European countries would overrun Turkey, either Germany or Russia, and that would or could cut off the Turkish tobacco that goes with the blends of tobacco put out in this country; so they set out to get a Turkish tobacco grown in this country, and they got it.

We in the Department of Agriculture realized they controlled the test farming program on that, but the research people did not propose to do any research in growing a Turkish type of tobacco.

The tobacco interests appealed for somebody to do something. They appealed through Duke University, and Duke University asked us would we furnish our facilities, of the State department of agriculture to do work on research of this kind and we told them we would.

They did that research work for 10 years, and we have developed a Turkish type of tobacco which we think is superior even to the original.

That is an illustration of how you can have a State agency—and I am not just talking about what takes place in North Carolina alone, because there are 15 or 20 other States of the Union where you are going to find groups of people into which you funnel all of the research funds for marketing activities, where you will have a group of them who will not have the vision in that particular direction. They are fine men; they are intelligent, and they may be energetic and have foresight in a general field, but for some reason do not want to engage in a particular work of this type. And I think the research people at the State level are going to fight this, and fight it hard. That is where you will find the opposition.

The CHAIRMAN. Why do you say they will fight it at the State level?

Mr. COOLEY. Because you think they would like to have some of the money?

Mr. SCOTT. That they would like to have some of these provisions taken out.

Mr. HOPE. What you mean to say, as I understand you, is that we ought to use, in carrying out this work, all of the agencies that are equipped to do research work, wherever there is an agency equipped to do it. For instance we should make use of the agricultural experiment station if it is best equipped to do the job.

Mr. SCOTT. Yes.

Mr. HOPE. And if the land-grant college is best equipped to perform the service we should use them. In other words, that we take advantage of all of the available resources to carry on the operation.

Mr. SCOTT. Yes; that is the point.

The CHAIRMAN. But you expressed the fear that it would not be done at the State level. Just why?

Mr. SCOTT. It would be hard to put it down on paper and swear to it; but there are cliques within cliques, and you have got the experiment stations of the State and Federal; and the State and Federal research groups tie in with each other, and if there is any issue at all they will stand on it as a group.

The CHAIRMAN. Mr. Scott, do you not think that that is pretty well taken care of by the setting up of the advisory committee?

Mr. SCOTT. Except that the recommendations of the advisory committee are not binding.

The CHAIRMAN. No; they are not binding, but they certainly ought to be something more than persuasive.

Mr. SCOTT. Yes.

The CHAIRMAN. And when you get the committee set up I do not believe that the Department of Agriculture will turn down the recommendation of that committee unless it became apparent that the committee was clearly mistaken.

Mr. SCOTT. That is right. But you have in Government agencies things just like you find in private business. In private business one of the greatest stimuli for activity and to get a job done well is to have a little competition. And that is true on work on research. Some of these research people need to be needled a little bit, just as you have provided with some of the funds for the agricultural colleges, where they are doing work at the State level, as far as some of the programs are concerned.

And so it is with some of the States. They need to be needled into doing the job. And if you have a group which is not interested, and you have another group that will do the work and get the job done, give them the opportunity.

I would like to ask you how long you think it would have taken the various departments of agriculture, the Federal and the State, and the land-grant colleges to have developed the atomic bomb?

They should have some of the funds, but they need to be needled into action. And so far as the program on agriculture is concerned I will say to you frankly that as a farmer I can get any information I want concerning the amount of fertilizer that needs to be put on a particular kind of ground; or an analysis made of a piece of gray soil or red soil; or the kind of corn to plant on the land; but when it comes to finding out anything about marketing they are just as vague as can be.

The CHAIRMAN. Because they are putting the emphasis more or less on production?

Mr. SCOTT. Yes.

The CHAIRMAN. And are giving very little attention to the problems of distribution?

Mr. SCOTT. Yes. I would like to drive home to you that the various marketing officials in the States of the Union and in the department of agriculture, with the exception of a few States, have the know-how on

marketing; and it is in that group more than any other group where the work can be done but they have done very little about going into the question of research.

For instance in the State of North Carolina we have increased our appropriation from \$12,500 some 10 years ago to about \$150,000 now, on the State level for the division of marketing, and funds for marketing work. We know that the State Department officials have more or less appealed up here for help time and time again; we know that there is much work that needs to be done, research on marketing problems; places like the Market News where work needs to be stepped up, and various matters such as finding out how peaches, for instance, get from Georgia into the consumers hand down on the streets of the city of New York; what happens to the peaches after they arrive at the markets. All of those things need to be studied. We have those problems all over the country. We are behind those particular programs in our State. But I will say again that the problem of distribution is the biggest problem ahead of agriculture and we cannot do too much along that line.

Put the marketing groups in because they have more information on it. They have more know-how. They are nearer the program than any other group. They are not all in the departments of agriculture, but where they are in the land-grant colleges it will apply just as well there.

The CHAIRMAN. Mr. Scott, for the purpose of the record I would like to know if the other State commissioners of agriculture concur with you in the views you have expressed—that in order to work out a proper marketing system we have to consolidate and coordinate the activities in the Department of Agriculture as provided for in this legislation.

Mr. SCOTT. I have heard no contrary opinion to that; that it should not be coordinated.

Mr. COOLEY. Do you mean by that the Federal activity should be coordinated with the State activity?

Mr. SCOTT. No; within the Federal Government.

The CHAIRMAN. That these different marketing activities of the Department of Agriculture should be consolidated under one head.

Mr. SCOTT. In the Department of Agriculture.

Mr. COOLEY. Do you not go farther than that and maintain that the activities of the Federal Government in the field of marketing should be coordinated with the activities of the State departments of agriculture?

Mr. SCOTT. Yes.

The CHAIRMAN. That was not the question. We fully agree to that.

Mr. SCOTT. We feel in general that you are pretty close to getting at the heart of what is needed to be done in this program.

Mr. COOLEY. May I ask a question. We were discussing the advisability of separating research from marketing and keeping them apart completely. Do you agree they should be kept apart?

Mr. SCOTT. Well, the research end of marketing should be in the Division of Research, provided that they will do it. If they will not do it, then the avenue ought to be left open whereby you can go to

some other agency, either a private agency or a farm organization or another university like Duke University in North Carolina.

Mr. COOLEY. What I had in mind was, if you left it all to one agency at this time the officials in charge might place too much emphasis on production and research and not enough on actual marketing activities.

Mr. SCOTT. I am glad that you brought that question up. I think that you will have to write into the bill provision for action investigation, and regulatory work, and new services, as well as marketing work. That falls largely in the State departments of agriculture, but if you do not write it in there—and we have people here from the other crowd—I am here to tell you from an historical standpoint it will never be written in there, because they have killed everything that has come up to the present time, using the Farm Bureau when they needed them to kill it.

The CHAIRMAN. Do you not think that is written into this legislation? As I see it, you have production and marketing together, and the emphasis there is placed on production and very little attention given to marketing.

Mr. SCOTT. That is right.

The CHAIRMAN. This bill attempts to bring about a consolidation of all marketing activities over here in the Department under one head.

Mr. SCOTT. That is right.

I would like again to emphasize, Mr. Chairman, the need for marketing services and regulatory work being written in that must be done. It has to be in there, or the other groups will kill in the field of agriculture. I am saying right here, as a citizen of North Carolina and interested in the general program all over the United States, that land-grant colleges have been the funeral parlor for a good many agricultural ideas that ought to have come to pass, but because of jealousies of one kind or another have been killed. I will say that fearlessly. I will say that as a citizen having worked in agriculture for a long, long time.

Mr. PACE. Will you give us an example of that?

Mr. SCOTT. I just gave you one about the Turkish tobacco. They were spending in North Carolina around \$1,000 on the effect of boran on alfalfa, which is a very minor crop in the State of North Carolina. On tobacco, which is a \$375,000,000 crop, they were spending less than \$1,000 a month for research.

Mr. PACE. You are indicting 48 States for something that happened to one commodity in your State. You are making a rather broad charge, you know.

Mr. SCOTT. We are generally agreed among ourselves that we have some of our crowd that are on their feet. There are plenty of them in North Carolina who will say that the commissioner is dead on his feet as far as certain projects are concerned in the State, and I believe that I would plead guilty.

Mr. PACE. I believe that you have made a rather serious charge. What is it that the land-grant colleges and the experimental stations have refused to do to contribute to the advancement of marketing?

Mr. SCOTT. You can go back to the original Purnell Act. Those funds were not used for the purpose for which they were set up.

Mr. PACE. That is not what you say. You said, as I understood it, that the experiment stations had refused to go along on worthwhile projects that were urgently needed. I am not differing from you, but I am trying to get something to stand on, if I should agree with you.

Mr. SCOTT. I could not give you the exact figures on the various programs in our State, but we know that that is so in North Carolina, and in talking with various commissioners about agriculture we find it is so.

Mr. PACE. Who is the director of your experimental station in North Carolina?

Mr. SCOTT. Dr. Daver, a very capable man.

The CHAIRMAN. The truth of the matter is that most of the emphasis at the experimental stations and the land-grant colleges is placed upon production rather than on marketing.

Mr. SCOTT. That is right.

Mr. PACE. That has been common in the Federal Department of Agriculture.

The CHAIRMAN. It certainly has.

Mr. SCOTT. In the whole field of agriculture.

Mr. PACE. It has just been a general policy, then, and not any stubborn refusal of anyone.

Mr. SCOTT. It is not a stubborn refusal. It is the interest in and an anxiety to do something else that they have been dreaming about, and here is a chance to get some money. Nobody is watching it, so it is channeled into that particular project.

I will say this, this marketing work is hard work. It is work that you have to sit up until midnight on and you have to read the teletypes at 1 o'clock and 2 o'clock in the morning, and all that, and we folks in Government like to quit at 5 o'clock, and it is getting now where we want 5 days a week. You cannot do marketing work in that way.

Mr. ZIMMERMAN. Perhaps the land-grant colleges have not been getting enough money to carry on that kind of program.

Mr. SCOTT. I do not think they have, but I would say on that I do not think they have shown any disposition to know how they should handle it after they got it. I do not think that they have had enough money. I do not think that any of the Government agencies have had enough money to do marketing work.

Mr. ZIMMERMAN. The country has been committed to the policy of making two blades of grass grow where one grew before. We have been emphasizing that policy.

Mr. SCOTT. And when we got to doing it we plowed it up.

Mr. ZIMMERMAN. I do not know about that. I was for the program as it was carried out in its inception. It was the thing that saved agriculture, and people around here do not know what that word means.

Mr. SCOTT. After we learned to produce two blades of grass, which we have done very effectively, I think that we must not forget that we have the problem of distributing the results of two blades of grass.

Mr. ZIMMERMAN. Give the colleges the money and they will do the job.

Mr. SCOTT. Give the State departments of agriculture the money and they will do a better job.

Mr. PHILLIPS. Are you proposing that we grow no grass to plow under?

Mr. ZIMMERMAN. The term "plow under" is something that a lot of people do not understand.

The CHAIRMAN. We certainly thank you for your most excellent statement.

The next witness is Mr. Warren Oley, Department of Agriculture, State of New Jersey. As I remember, he made one of the best statements made before the committee some time ago.

STATEMENT OF WARREN W. OLEY, CHIEF OF BUREAU OF MARKETS, NEW JERSEY DEPARTMENT OF AGRICULTURE

Mr. OLEY. Thank you, Mr. Chairman and members of the committee.

My name is Warren W. Oley. I am chief of the Bureau of Markets of the New Jersey Department of Agriculture. I have come here today representing W. H. Allen, the Secretary of Agriculture of the State of New Jersey.

We grow some commodities there. Also, as chairman of the legislative committee for the National Association of Marketing Officials, I think that the national association has been represented here before, and I need not go into their set-up except to say that there are 37 States represented in the executive committee. The executive members are those members who are in charge of marketing work in the various States, official marketing work.

As Mr. Scott brought out, a majority of those men are in the departments of agriculture. There are some exceptions, such as in Maryland, South Carolina, and one or two others. They are doing excellent work in those States, but it happens in those States they are representing the extension divisions.

Now, I cannot say that I am speaking today, as far as these bills are concerned, for all of those members. We have not had an opportunity to contact them and receive back word from all, but we have received word back in our committee from a considerable number and we have had no dissenting opinion as to the value of these bills under consideration. Those members are for those bills, those that have been contacted.

The legislative committee is made up of three men. I am the chairman. Then there is Mr. Birdsall, of New York State, and Mr. Meek, of Virginia.

The committee met here last week and considered these bills. We have done our best to contact our people. We do not have answers back from all of them, but we know from the general sentiment expressed they are all strong for the passage of these bills, and this bill in its combined form.

I have a statement here I would like to read as testimony, drawn up by the legislative committee of the National Association of Marketing Officials.

It is generally recognized that marketing is agriculture's No. 1 problem. To move the tremendous output of the Nation's farms, the private marketing system must function as efficiently as possible. In order to accomplish this, there should be created some agency that will

take the lead in furnishing improvements in marketing methods, rendering the necessary marketing services, and administering marketing regulations.

I would like to mention right at this time that, with the enormous production of food in this country, we do not consider we have an overabundance because we have a job to do in the European countries and other countries, but when that is over we are definitely going to have marketing problems that will be far greater than those that will show up at the present time, or have shown up in the past few years.

This bill will create within the United States Department of Agriculture a bureau to devote its full time to marketing research, service, and regulatory work, and would authorize this bureau to work out and conduct its program in cooperation with the appropriate State, trade and farm organizations. To exercise general guidance over the work to be undertaken, it will establish a committee consisting of representatives of the various commodity groups, the State departments of agriculture, the agricultural colleges, the farm organizations, our National Association of Marketing Officials, and such Federal agencies as are concerned with marketing.

For years production research and service in the Department of Agriculture has been done in special bureaus performing that specific function—the Bureau of Plant Industry, and so forth—and economic research and service in a special bureau—Bureau of Agricultural Economics—leaving the action in these two fields to be done in what is now called the Production and Marketing Administration.

Great progress has been made in these fields. No such progress has been evident recently in marketing research, service, and regulatory work, because there is no bureau whose sole job is to do this kind of work. This type of work in the marketing field has been shuffled from one place to another—seven reorganizational shifts in 7 years—and now appears subordinated to the work the Department does in buying and selling on its own account.

This bill would, in our opinion, create within the Department in the field of marketing the same arrangement that has existed in production and economic work, and would leave in the Production and Marketing Administration the buying, selling, and price-support activities which are the exact counterpart in the marketing field of the action programs on production and economics which are now in the Production and Marketing Administration. The Production and Marketing Administration would, with the adoption of this bill, be an action agency in the field of production, economics, and marketing; and research, service, and regulatory work in these fields would be in bureaus devoting their full time to such work.

With the passage of this bill, the Department would have an agency to work with State, farm, and trade organizations in the marketing field. Industry would not be regulated by the same bureau that under existing Government support and buying programs is its chief competitor. The Department service and regulatory functions would be separated from its corporate functions. The bill would specifically outline a useful marketing program, and by creating a bureau for this work would stop the constant reshuffling and shifting of the work from pillar to post. The bill, in our opinion, would not hurt the United States Department of Agriculture, as it simply broadens

its functions and provides a way for making certain that it would be carried out as intended. It would take nothing from the experiment stations, Extension Service, and scientific bureaus. Instead, it would create an agency to work with and assist them in the marketing field. It would not interfere in any way with the proper functioning of the Production and Marketing Administration because it would make no change in the responsibility of that agency for production, economic, and marketing programs. It would remove from the Production and Marketing Administration only such research and service work and administration of regulatory laws as should be administered independently and impartially for all groups in the marketing system. In order to buy and sell, the Production and Marketing Administration does not need to control the distribution of market news, dominate the inspection and grading services, or influence the administration of laws in the marketing field that have been enacted by Congress. Indeed, it is our opinion that since its creation the Production and Marketing Administration has largely neglected this type of work.

Our legislative committee feels that this bill will be a real step forward in helping find a solution to agriculture's main problem—that of the distribution of its products. It would seek to get the job done as much as possible by private industry, and thus would minimize the necessity of Government buying, selling, and distribution. And, finally, the enactment of the bill would require no increase in appropriations, merely a more effective use of existing funds.

The CHAIRMAN. I think that is a good point. I would like to ask you what I asked Mr. Scott. Everyone seems to be in accord as to the objectives of both titles in the bill. Now, the Department of Agriculture has expressed its opposition to the provision in title II attempting to bring about the proper consolidation and coordination in the Department of Agriculture of the marketing activities. You agree with Mr. Scott?

Mr. OLEY. I do, absolutely.

The CHAIRMAN. That we should set up a proper marketing system? That is fundamental, and these different phases of the program down in the Department should be brought together under one head.

Mr. OLEY. I do absolutely agree with that. In fact, all the people with whom I have consulted, and some people in the trade that I have talked with, are strongly in favor of that consolidation in one agency with whom they can work.

The CHAIRMAN. With whom they can work, and an agency that would be responsible for these different phases of the marketing problem.

Mr. OLEY. Of those phases that I mentioned, regulatory work, and so forth.

Mr. POAGE. You suggested right at the end of your statement, Mr. Commissioner, that this could be done without any additional appropriation.

Mr. OLEY. I was referring, Congressman, to the set-up in section 1 of the act, or title I, which draws those funds in a certain percentage from section 32.

Mr. POAGE. Do I understand you are here advocating that we take away the 32 funds and devote them to this type of work?

Mr. OLEY. I have been speaking to the bill, and that was in the bill. My point is this, I, personally, and the committee would like to see those funds taken from a source that would be constant year after year so we would know that work is going to continue and not be dropped and changed over at the pleasure of some individual or some other group.

Mr. POAGE. What I want to get clear is this: Do you feel that it is desirable to take those funds that have already been allocated for a specific purpose and cancel the use for which they have been dedicated and use them for this purpose instead of the use to which they are now being put?

Mr. OLEY. Frankly, Congressman, I just do not know how they have all been used, but I do feel that a certain amount of this money is probably used for that type of work anyway, and it would be a reallocation of funds. As far as I and our committee are concerned, we are interested primarily in seeing that this work is done and that this set-up is made.

Mr. POAGE. I think this work is of sufficient importance to justify a direct appropriation for this purpose, do you not?

Mr. OLEY. Yes, I do.

The CHAIRMAN. We thank you very much.

The next witness is Mr. L. M. Walker, Jr., Commissioner of Agriculture, State of Virginia.

Mr. Walker has rendered a very real service to the farmers of Virginia since he was put in as commissioner. We are glad to have him before the committee.

STATEMENT OF L. M. WALKER, JR., COMMISSIONER OF AGRICULTURE, STATE OF VIRGINIA

Mr. WALKER. I just arrived a very few minutes ago. I do not think that I can add very much to what the two previous speakers have just said, but as a farmer and a former extension worker, having been close to farms and having farmed all my life, I do not know anything more important to the farmer today than marketing. Up to now, I think the marketing program on farm products has hardly matched service. It has been brought out here we have trained people to grow two blades of grass where formerly one grew. I think that has made good progress, but there has not been much done on marketing.

Farm-product marketing in an orderly manner can mean more to a farmer than anything else I know. As Commissioner Scott has said, you can find out the right fertilizer formula for any crop on any kind of soil—and the colleges and the Extension Service have done an excellent job on that—but up to now in no State with which I am familiar have they gone very far on marketing.

In our State we have some well-trained marketing technicians, but they know bylaws, marketing set-up, and that kind of thing, but do not actually get in the field of selling farm produce. We have one or more large co-op organizations in Virginia. They are doing an excellent job in selling supplies to the farmers. It is a much easier job, apparently, to sell farm supplies at a profit to the farmer than it is to handle this farm produce. For that reason I believe

the existing co-ops have worked on the other end. Right now, in the current month, this is the only time in my life that I have ever seen middlemen dealing in farm products—more anxious to buy from the farmer than they are to sell to him.

I have been in the city of Richmond almost 20 years, and for years and years I have seen farmers at this time of the year going around with samples of oats and barley, and later on with soybeans and Lespedeza trying to sell them to a seed or feed man, and most of the time that feed or seed man was hoping that the farmer would buy something from him and sell his produce to somebody else. Now the shoe is on the other foot, owing to the scarcity of grain. They are advertising in the papers, and the farmers come in with some grain to sell. It is hard for them to get out of town without making a sale. In normal times they are very glad for the farmer to sell his grain to somebody else and buy a bag of feed from him, or a bale of wire, or something like that.

I want to say that I concur in what has been said here by Commissioner Scott and Director Oley, and I, too, favor more finances and assistance for the marketing program.

The CHAIRMAN. I would be glad to have an expression from you as to the consolidation in the Department of Agriculture of marketing activities.

Mr. WALKER. I think that is good.

The CHAIRMAN. Do you not think that is imperative?

Mr. WALKER. Imperative, and have a responsible head there.

The CHAIRMAN. We thank you, Mr. Walker.

The next witness is Mr. Albert J. Gardner, Commissioner of Agriculture for the State of Maine.

STATEMENT OF ALBERT J. GARDNER, COMMISSIONER OF AGRICULTURE OF THE STATE OF MAINE

Mr. GARDNER. Mr. Chairman and members of the committee, I will very briefly express myself this morning, as this is the first time I have seen this most recent bill, although I have examined some of the preceding ones.

Let me say, first, I am in favor definitely of consolidation.

To go back to our own State situation, I believe that we are desperately in need of research in marketing, in actual marketing, and I will use as an illustration our potato program.

As you may know, we have a potato tax that yields some \$150,000. As part of that tax, which goes for merchandising promotion, is allocated specifically to research. That amounts to some 35 to 40 thousand. We know that some of the problems in marketing center around our housing, handling, and other methods of distribution. It might be possible for us to find the funds with which to house differently than we are doing, establish equipment and machinery of that sort. The thing that we are up against and that has given us the greatest concern is that in the experiment station—who should probably do this work—there is no personnel trained in marketing practices, either in the way of construction of adequate houses or in the methods of distribution and handling.

I firmly believe that a bill of this sort will materially help us solve some of these problems. I do hope that in the final draft, if it is not already there, there will be an opportunity for States to exercise some individual determination of the type of programs that are to be set up.

We have peculiarities in all our problems, some within States as well as between States, and I would like to see that done. I do not have any further comment to make.

Mr. ZIMMERMAN. After you boys get this produce started to market, do you have some difficulty in getting the produce across interstate lines? The farmer will try to get the produce to the market and he will get it dumped out and get his head mashed up and there will be extortions extracted from him. Are you boys running up against anything like that?

Mr. GARDNER. Are you referring wholly to State lines or national lines?

Mr. ZIMMERMAN. State lines. I am talking about the Hobbs bill, one of the bills that we are trying to pass here to take the burden off the present distribution of farm commodities.

Mr. GARDNER. As far as we are concerned in Maine, the one line that we are worried about is the one that goes up around the Canadian border.

Mr. ZIMMERMAN. Do you ship anything into New York?

Mr. GARDNER. Yes.

Mr. ZIMMERMAN. Do you have any trouble there?

Mr. GARDNER. We have not had any trouble so far.

Mr. ZIMMERMAN. You have not?

Mr. GARDNER. Not yet.

Mr. ZIMMERMAN. You have not met these boys that meet your trucks and tell the farmer that he has to pay so much in order to carry the produce to market?

Mr. GARDNER. That does not affect us directly, as I suspect it does the people who ship by truck. Our potatoes go into New York by rail.

Mr. ZIMMERMAN. You have some handling regulations after they get to the market.

Mr. GARDNER. I recognize what you are talking about and concur in what you are inferring, but our immediate problem is elsewhere, it seems to me.

Mr. ZIMMERMAN. But that is another thing that ought to be looked into.

Mr. GARDNER. That is right.

The CHAIRMAN. We thank you very much, Mr. Gardner.

The next witness will be Mr. H. K. Thatcher, director of the Division of Agriculture and Industry of the State of Arkansas.

STATEMENT OF H. K. THATCHER, DIRECTOR OF THE DIVISION OF AGRICULTURE AND INDUSTRY OF THE STATE OF ARKANSAS

Mr. THATCHER. Mr. Chairman and gentlemen, inasmuch as time is running short and I have had an opportunity to appear before you before, I will be very brief.

I want to concur in what the different commissioners and directors of marketing have had to say on these bills, or on this one particular bill, this consolidated bill. We have been trying to study it very carefully. I doubt if you will ever get a bill anywhere that everybody will agree to 100 percent, but in the main I believe this bill embodies those features which we all feel are so necessary and we must have.

I want to emphasize again that we have spent not too much time, effort, and money on production, but far too little on distributing the products after we have once produced them. We simply have to take care of that feature, and I believe this is a step in the right direction.

The CHAIRMAN. We thank you very much, Mr. Thatcher.
The last witness that we have is Mr. W. T. Outman.

STATEMENT OF W. T. OUTMAN, FLORIDA

Mr. OUTMAN. My name is W. T. Outman, representing Commissioner Mayo, of Florida, who has been ill in the hospital and could not attend this meeting.

Naturally, Florida is very much interested in marketing, as we grow a lot of stuff in a short time there. I just wanted to add to the statement of the other commissioners that I am in full concurrence with their views in the approval of this bill.

The CHAIRMAN. We thank you very much.

We will adjourn now and meet Monday morning at 10 o'clock.

(Whereupon, at 11:10 the committee adjourned to reconvene Monday morning, June 24, at 10 o'clock.)

AGRICULTURAL MARKETING

MONDAY, JUNE 24, 1946

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m., Hon. John W. Flannagan (chairman) presiding.

The CHAIRMAN. The committee will be in order.

We have with us this morning the Under Secretary of Agriculture, Mr. Dodd.

Mr. Dodd, we will be glad to hear from you with particular reference to title II, which begins on page 14 of the committee print.

STATEMENT OF NORRIS E. DODD, UNDER SECRETARY, DEPARTMENT OF AGRICULTURE

Mr. DODD. Mr. Chairman, first I would like to begin by having read a statement prepared by Mr. Robert H. Shields, Administrator of the Production and Marketing Administration, at the Conference of State Production and Marketing Administration Directors in Chicago, which I think pretty well outlines the policy of the Department in regard to tying together these agencies.

The CHAIRMAN. Inasmuch as the members of the committee will have opportunity to read it, suppose you just insert it in the record at this point.

Mr. DODD. Very well.

(The statement referred to follows:)

MARKETING RESPONSIBILITIES OF PMA

Remarks by Robert H. Shields, Administrator of the Production and Marketing Administration, at the Conference of State PMA Directors, Chicago, Ill., June 19, 1946)

As we look back over the records we find that the United States Department of Agriculture began its organized marketing work only about 35 years ago. Before that time nearly all Department activities were directly concerned with production—with the effort to make two blades of grass grow where only one had grown before. Marketing work, however, was eventually given recognition, and there has been considerable development in this field in recent years.

Standardization of agricultural products and containers, development of grading and inspection services, regulation of market operations, and the adoption of programs to improve marketing practices have progressed rather steadily. Much of this pioneering work was carried through by Clarence W. Kitchen during his nearly 30 years of Government service. He headed up the organized marketing work in the Department, most recently in PMA and the Office of Marketing Services, and before that in predecessor agencies.

Although this marketing work developed fairly rapidly in the years after it was started, it still was handled as an activity unto itself, without close enough relation to production. When production is planned without regard for the availability of market outlets, or the availability of facilities for processing or otherwise adequately handling the crop, producers are inevitably headed for trouble sooner or later. There must be joint planning and development of programs. Lack of this coordination between production and marketing leads to the sort of problems all of us could cite as examples. With the establishment of PMA, we have gone a long way to bridge this gap in administration.

In the present organization of PMA the commodity branches are basic. In them—to use a very old but also very realistic figure of speech—the marriage of production and marketing really takes place, and they have the day-to-day responsibility of looking after the vigorous youngsters resulting from that marriage. And raising a youngster, it goes without saying, is not just a production problem. To the commodity branches, therefore, we have assigned numerous marketing responsibilities. The problems of grading, of inspection, and of standardization belong logically in the commodity branches. So too with regulation of marketing practices, the administration of war food orders, and the handling of marketing agreements and orders. These are all problems that must be dealt with on a commodity basis. The branches, of course, will rely heavily upon field offices for part of the information needed as the basis for decisions.

But we can't stop administratively with the establishment of 10 commodity branches responsible for both marketing and production problems. There is necessary a further administrative centralization. So, in order to carry administrative authority as well as responsibility down to the commodity branches, I have divided these branches into two broadgroups and have assigned an Assistant Administrator to help in the administration of these branches. Each Assistant Administrator, in addition to his over-all responsibilities, is to coordinate the marketing and regulatory work of the branches under his supervision.

In his order setting up PMA, Secretary of Agriculture Clinton P. Anderson recognized the essential fact that production and marketing are too closely interrelated to be administered separately. He recognized that the production problems of a commodity cannot be analyzed effectively without at the same time analyzing the problems of marketing that commodity, and vice versa. With that fact in mind, he established the Production and Marketing Administration. As a result, we now have an administrative set-up under which it is possible to handle in a single agency the closely interwoven problems of production and distribution that characterize modern agriculture.

In setting crop goals, for example, we must see that those goals mesh in with the available market outlets—to assure that farmers get fair prices for their products. The full answer, however, does not lie in a simple adjustment of production. That is only half the answer. The other half lies in effective distribution and an expansion of market outlets. And only by approaching the problem with both halves of the answer in mind can we expect to arrive at a satisfactory solution.

So much for the basic administrative theory of PMA. Let's look now for a moment at the problems of practical administration. With the merger of these two basic agricultural functions in a single shop, it obviously becomes desirable to reassign certain responsibilities for marketing work so as to bring them into closer relationship with responsibilities in the field of production.

These two Assistant Administrators—both men whom most of you know well—are Carl C. Farrington and E. A. (Woody) Meyer. Carl will have responsibility for the Cotton, Fats and Oils, Grain, Sugar, and Tobacco Branches, and "Woody" will be responsible for the Dairy, Fruit and Vegetables, Livestock, Poultry, and Special Commodities Branches.

These two men are directly responsible to me. Thus, final responsibility rests with the Administrator. And the Administrator—I should emphasize again—is Administrator for both production and marketing, just as much for the one as for the other. To assist me in top coordination and direction, I have appointed a new assistant to the Administrator. He is Frederic B. Northrup, whom you all know well as a former Agricultural Adjustment Agency official. He has held many important positions in the Department and is well acquainted with the Department's marketing problems and responsibilities. In his new post, he will devote his full time to assisting me and the Assistant Administrators in

coordinating our general marketing effort. This will include not only checking and clearing dockets and orders but also helping me grapple with the tough decisions that necessarily wind up in the office of the Administrator.

So far I have been talking about the "action" phases of marketing and their interrelation with the "action" phases of production. But marketing is broader than that, just as agricultural production is broader than the "action" programs which have been so vitally important in recent years. I have in mind the extremely important though less spectacular field of activity which we for convenience call marketing "services"—the broad range of marketing activities that has to do with the actual physical handling of farm products as they move from the farm to the actual consumer. It covers such varied matters as appropriate facilities for the assembly and sale of farm products, transportation, freight rates, storage facilities, and other aspects of distribution that make for a continuous, orderly, and efficient flow of farm products through market channels.

In PMA the responsibility for this work is centered in the Marketing Facilities Branch, which is headed by William C. Crow, a long-time associate of C. W. Kitchen, and a recognized authority in this field. I intend to expand the work of this branch. I recognize its fundamental importance in the dovetailing of our production and marketing responsibilities, in bringing the farmer and the ultimate consumer of his products into closer and more harmonious relationship.

To cite just one example in this field, there is the need for more efficient wholesale markets. Many plans of cities and producing areas for improvement of their facilities were postponed by the war. This work should now be carried rapidly forward as soon as materials are available. And in other areas where needed consideration has not been given to this problem, the necessary planning and spade work must be undertaken. This is particularly important because of the high levels of production we have attained during the war and the need for swift and efficient access to enlarged markets.

As a further preface to our discussion of PMA's marketing responsibilities this afternoon, I believe it would be well for all of us to try to visualize if we can the full breadth and scope of the work we are actually doing in the marketing field. I realize that many of these activities were outside your immediate province of work in the past, and with some you will have little immediate relation in the future, but I want you to feel that as State directors of the Production and Marketing Administration there is nothing in the field of marketing that is not of interest to you, and that there are many aspects of marketing that are going to be of increasing concern to you.

When I took over the job as PMA Administrator, I thought I was pretty well acquainted with the work of the United States Department of Agriculture. But I was surprised, as I presume you will be, by the real breadth of the Department activities in the field of marketing. For example, let's take a quick look at two regulatory functions carried out by the Livestock Branch.

All Federal meat inspection and Federal meat grading—extremely important protective services which the American consumer takes for granted—are handled by this branch. Last year the meat inspection service was in operation in about 1,050 packing plants in 393 cities scattered throughout the country. Its employees—the people who carried out this work—totaled about 3,200. That number of employees is not typical, of course, of other regulatory activities, but it does give you a picture of how big this one particular job is. The Federal meat-grading service covers all of the federally inspected meat plants in the country, and now grades from 90 to 95 percent of all the beef, veal, and lamb slaughtered, including that slaughtered on the farm. And I need not add—despite the current meat shortage—that that's a lot of meat.

Altogether the various branches of PMA administer some 27 Federal regulatory acts in the field of marketing. None of the others require anywhere near the number of employees required in the meat-inspection work, but they are all important protective services to the farmer and the consumer—services that we are generally quite unaware of but which we would soon start clamoring for if they were discontinued. One of the newer of these, for example, is the Federal Seed Act, which regulates the marketing of seeds in interstate commerce. It gives all growers protection by making it unlawful to ship seeds which do not bear a correct label showing germination, purity, weed seed content, and other safeguarding information.

In the fruit and vegetable field, PMA is administratively responsible for the Perishable Agricultural Commodities Act. This act was passed to prevent, among other things, handlers from making false or misleading statements for

fraudulent purposes, from rejecting purchases without reasonable cause; from failing or refusing to account and pay for produce purchased or handled on commission, and from failing to deliver in accordance with contract terms. Under this act, handlers of fruits and vegetables are licensed, and in cases of repeated and flagrant violations the licenses may be suspended or revoked.

Similarly the Commodity Exchange Act, administered by PMA, prohibits certain unfair practices which were found to exist on commodity exchanges. And in the field of transportation, PMA has responsibilities for seeing that farmers' interests in equitable freight rates and other transportation charges are protected. It is definitely to the producers' interest that freight rates be kept as low as possible, that satisfactory services be available, and that the rate structure be equitable between areas and markets as well as between commodities.

Most of these regulatory and service activities are conducted, of course, at marketing centers by field offices of the commodity branches. But it is important that all of us—in all the branches—acquaint ourselves with this work and lend a hand in furthering it as it is required.

The Federal Government, of course, has no monopoly on marketing services. I am sure that you are all entirely familiar with the great amount of work which is done at the State level—in the States and by State marketing officials. This work is fundamental. It goes to the heart of local problems. In a very real sense, the State men and our Federal staff are working for the same bosses—the farmers, distributors, and consumers who benefit through the service rendered. This underscores the need for close cooperation between the two groups. Federal officials deal more directly, of course, with national and regional questions; the State men are intimately acquainted with marketing problems in their States. Working together, each can strengthen the service of the other.

Before leaving Washington late last week, I conferred at some length with representatives of State marketing officials. I asked them to get in touch with you State PMA directors, and told them that in turn I would ask you to work closely with the State officials. It is very much in order for you to take the initiative in arranging such contacts. Even though much of your work may be in the action program field, and not directly concerned with specific marketing services, there is a community of interest in the States which should be encouraged and developed.

Before turning to general discussion, I should like to focus our thinking briefly on some of the basic objectives which must govern the broad phases of our marketing work.

The over-all objective, of course, is to market the greatest possible volume of goods in the most efficient way possible—at reasonable prices to consumers and with fair returns to producers.

This means that the responsibilities of PMA run all the way from production planning to the ultimate consumption of the commodities produced.

In planning production, we must encourage the necessary production not only of total volume but also of types and qualities which can be marketed advantageously. We must know that market outlets will be open. This involves more than just the ultimate demand by consumers. It means that adequate facilities must be available not only to move the commodity to the consumer but also to make full use of the production and to minimize waste. Unfortunately, this sort of planning has not always been carried through in the past. Some shifts in production have been encouraged for special commodities without full consideration for the availability of practical outlets. Production without adequate facilities to take care of the supply is of little value to the consumer and means great loss to the producer. We must be alert to this—we must keep both sides of our house in order.

I shall not go into any detail about the sort of marketing improvements and facilities that are involved. You can set up your own lists, possibly starting with grading and inspection, processing and storage, transportation and transportation rates, marketing and distributing facilities, steps to eliminate unnecessary State trade barriers, help for the food industry in moving larger than normal volumes of abundant foods.

Incidentally, the fact that the Congress has authorized a long-term study of the whole marketing structure, by the Flannagan special market study committee, serves as a clear indication of the general recognition of the breadth and importance of the problems involved. We in PMA are faced with the challenge not only to get our house in order, but also to move forward constructively and

aggressively with our marketing work. In the Department of Agriculture, this must include over-all marketing research and planning, as well as the more immediate action programs.

There is one very important principle that, in the years ahead, must be kept constantly in mind in our surplus removal, price support, and related marketing work. In every way possible we must direct and carry out these activities so that they will contribute to the long-term solution of basic problems in production and marketing, rather than becoming merely a stopgap relief measure which would have to be repeated and possibly expanded in the future. We have immediate jobs ahead in supporting prices for Steagall amendment and basic commodities under legislative provisions. For years, we have been supporting markets through use of section 32 funds to remove price-depressing surpluses. How these support are carried out can make all the difference between helping producers and distributors improve conditions for the future by facilitating needed adjustments, or merely serving to perpetuate price-depressing surpluses. We can help producers to make necessary adjustments to meet particular problems of individual crops and areas. We can help industry in making its needed adjustments and improvements in the distributive and marketing machinery. Or, on the other hand, we can follow the course of least resistance by simply stepping in with a temporary cure, ignoring the basic problems that exist. There of course can be no question about our choice. The measures that we use in helping producers deal with the problems of surpluses must be related to the concurrent steps which producer and distributor groups involved are willing to take in order to help themselves out of their basic difficulties.

All this calls for teamwork. Marketing problems cross State and other geographic lines. There are local problems, of course, but these in turn have a bearing on regional and national marketing problems. The answer is that we must work closely with both farm producer and food industry groups and with State and local marketing officials in developing an adequate PMA marketing service. And let me repeat that this service is just as much in the interest of farm producers as it is of the food industry and the ultimate consumer.

Mr. DODD. Mr. Chairman, I do not believe the Department's activities could move along, so far as the operation of the market program is concerned, and which I think is extremely important, if there is set up within the Department the separate administration dealing only with marketing.

The CHAIRMAN. Mr. Dodd, as I understand it, the Department, with a few minor amendments, heartily approved of the provisions of title II, except those provisions in title II that set up the mechanics of the organization. That is about correct?

Mr. DODD. That is correct; we are heartily in favor of the objectives of the bill as provided in section 2.

The CHAIRMAN. But you do not want to change the mechanics?

Mr. DODD. As it is proposed now, Mr. Chairman, under the language of the bill actually I think it would be more restrictive than we would like to see it.

The CHAIRMAN. Suppose you give us your views on that.

Mr. DODD. We think that the problem of marketing is just as important to the farmers as the problem of production. They have to be well thought out in advance. Research has to be conducted into all phases of processing, of shipping, of storage, and the other uses; the development of markets, the development of better processing methods are just as important to the farmer as the development of new seeds, new cultural methods, and I would like to have the opportunity to broaden that field and be able to submit to the farmer at the time he plans his crop and makes his plans for production, a program that would be well ordered so that he could know what would be done and what was available in the markets, and what lay ahead of him for his products.

Of course, we are giving a great deal of attention to market news service, but all of those things are minor to the general big problem of developing new markets and of getting wider consumption and better distribution.

The CHAIRMAN. You think that can be accomplished in a better way if you had all of the production and marketing activities under the head of one division, that would be charged with production and distribution?

Mr. DODD. I think it can be, Mr. Chairman. I believe the Congress should be able to hold the Secretary of Agriculture responsible for the operation of the largest possible program of marketing and consumption as well as production and I believe if you allow him to have the operations combined with a group of specialists who work on both sides of the problem, answerable to one man, to one administrator, I believe he can promote the service better and promise to do a better job.

The CHAIRMAN. Mr. Dodd, heretofore we have emphasized production, more production.

Mr. DODD. That is true.

The CHAIRMAN. And I am afraid that very little attention has been paid to the farmer's problem of distributing what he has produced.

Mr. DODD. I agree with you.

The CHAIRMAN. Why has that condition prevailed?

Mr. DODD. I think, Mr. Chairman, because of the war particularly for the last 5 or 6 years when we have not had to think very much about marketing.

The CHAIRMAN. That is true, but what I had in mind was the condition prior to the war.

Mr. DODD. Prior to that several efforts were made in the production and marketing field. There was established in the Department, as you know, the Federal Surplus Marketing Administration; the Marketing Administration, and the Office of Supply; the Office of Marketing Services. There have been many of those efforts.

The CHAIRMAN. Mr. Dodd, that is true, but those services did not accomplish anything like, in the marketing field that which has been accomplished in the field of production.

Mr. DODD. That is true, partly because they were handicapped; did not have sufficient funds for research and for experimental programs.

The CHAIRMAN. Do you know how much money the Department has had for developing market services?

Mr. DODD. I do not have the exact figures with me.

The CHAIRMAN. I wish you would insert that information in the record.

Mr. DODD. It is very insignificant as compared with the sums that have been available for production; very insignificant, but we will get those figures and supply them for the record.

The CHAIRMAN. Has the trouble been that you did not have sufficient law or did not have sufficient money?

Mr. DODD. No.

The CHAIRMAN. Or just did not attribute to marketing the importance that it should have received?

Mr. DODD. I think the latter statement would be probably correct, that we did not attribute to the marketing, the developing of marketing, the new methods, and things which we did not attribute the significance to that they should have received, and partly that was because we did not have the money to employ experts in research and marketing fields.

The CHAIRMAN. That is due to the fact that you did not have sufficient funds?

Mr. DODD. We did not have the funds and did not have the trained personnel.

The CHAIRMAN. Why did you not come to the Congress and ask for authority and the funds?

Mr. DODD. I suppose that is probably what would have been done some 6 or 7 years ago if it had not been for the disruption caused by the war when our greatest problem was to get production, more production, increased production, and distribution was only a minor problem; we did not have to find new markets.

The CHAIRMAN. Mr. Dodd, along prior to the war I think you will find that production was receiving a great deal more attention than marketing.

Mr. DODD. Not prior to the war——

The CHAIRMAN (continuing). I think we were telling the farmers how to produce, how to make better usage of their land, and so forth.

Mr. DODD. That is true, but not with the idea——

The CHAIRMAN (continuing). And to produce more economically. We have been impressing upon them the necessity for production ever since I have been up here.

Mr. DODD. I think we have gone much further with information in the Department in teaching people how to farm, how to get better variety of seeds, and how to get a larger yield per acre and to make better use of land than we have in marketing.

The CHAIRMAN. That is all on the production end.

Mr. DODD. Yes.

The CHAIRMAN. And we have been emphasizing that year after year.

Mr. DODD. That is true.

The CHAIRMAN. During that time we have paid very little attention to the farmer's problem of distribution.

Mr. DODD. That is correct.

The CHAIRMAN. And I am just trying to find out why.

Mr. DODD. Congress went further when it established the Surplus Commodity Act. It went part way when it set up the section 32 funds, which enabled the Department to find new uses and new markets.

The CHAIRMAN. But some of section 32 money has reverted to the Treasury.

Mr. DODD. Yes; some of it.

The CHAIRMAN. Do you know to what extent?

Mr. DODD. I do not have the figures. I do not think you will find any of it reverted until the war came on.

The CHAIRMAN. I did not understand you.

Mr. DODD. I do not believe that any section 32 funds reverted to the Treasury until the war came on.

The CHAIRMAN. Until wartime?

Mr. DODD. That is right.

The CHAIRMAN. I was thinking of the time prior to the war.

Mr. DODD. I would not be able to say just how much, offhand.

The CHAIRMAN. Will you insert that information in the record.

Mr. DODD. Yes; I will look that up. I remember very definitely that we used a lot of section 32 money in the early thirties, as late as 1939, for new programs with cotton, wheat, and the export programs.

(The information referred to is as follows:)

Summary of the appropriation made by section 32, act of Aug. 24, 1935, for exportation and domestic consumption of Agricultural commodities, available funds and disposition of balances for the fiscal years 1936-47, inclusive

Fiscal year	Permanent appropriation	Supplemental appropriation	Reappropriation	Total available	Unobligated balance	Disposition of unobligated balance		
						To surplus fund of Treasury	Other disposition made by law	Explanation of other disposition
1936.....	\$92, 111, 741	-----	-----	\$92, 111, 741	\$36, 270, 710	\$3, 270, 710	\$33, 000, 000	(1).
1937.....	109, 139, 621	-----	-----	109, 139, 621	4, 706, 423	4, 706, 423	-----	-----
1938.....	125, 097, 241	-----	-----	125, 097, 241	6, 207, 276	6, 207, 276	-----	-----
1939.....	144, 024, 893	-----	-----	144, 024, 893	3, 761, 624	3, 761, 624	-----	-----
1940.....	92, 678, 812	\$113, 000, 000	-----	205, 678, 812	17, 694, 526	17, 694, 526	-----	-----
1941.....	100, 925, 859	135, 000, 000	-----	235, 925, 859	12, 921, 489	921, 489	12, 000, 000	Reappropriated for sec. 32
1942.....	97, 729, 589	125, 150, 000	-----	222, 879, 589	36, 287, 614	3, 789, 869	32, 497, 745	purposes, fiscal year 1943.
1943.....	131, 429, 833	-----	-----	131, 429, 833	54, 819, 225	54, 819, 225	-----	-----
1944.....	97, 051, 938	-----	\$44, 497, 745	{ 244, 497, 745 3 97, 051, 938 }	36, 100, 000	-----	42, 500, 000	Reappropriated for 1946 Agriculture conservation program.
1945.....	119, 307, 108	-----	-----	3 119, 307, 108	51, 460, 740	-----	-----	-----
1946.....	114, 274, 626	-----	-----	3 114, 274, 626	25, 000, 000	-----	69, 060, 740	Reappropriated for sec. 32
1947.....	118, 000, 000	-----	69, 060, 740	{ 118, 000, 000 2 69, 060, 740 }	-----	-----	-----	purposes, fiscal year 1947.
Grand total.....	1, 341, 771, 261	373, 150, 000	113, 558, 485	1, 714, 921, 261	285, 229, 627	95, 171, 142	189, 055, 485	-----

¹ Reappropriated Treasury Department for salaries, administrative expenses, and refunds of processing taxes on agricultural commodities, collected under the Agricultural Adjustment Act, 1933

² Reappropriations, not included in total of column.

³ Estimated.

The CHAIRMAN. With the surplus commodity program, subsidizing the efforts to find new uses.

Mr. DODD. Not new uses alone. For new uses of commodities like cotton, in the mattress program in order to make use of low grade cotton.

The CHAIRMAN. Did you use section 32 funds for that?

Mr. DODD. Yes, it was all section 32 funds, when the original programs were set up to dispose of surpluses, but to do that we had to find new markets and new uses that I think served the same purpose.

The CHAIRMAN. Under the present set-up in the Department you have the Division of Production and Marketing?

Mr. DODD. That is correct.

The CHAIRMAN. And you think the administration of this legislation should be vested in that division?

Mr. DODD. Yes; I think it should be vested in the Secretary.

The CHAIRMAN. In the Secretary, but I mean he would use the Division of Production and Marketing to carry out the purposes of this law.

Mr. DODD. Yes.

The CHAIRMAN. If that is done what assurance have we that the marketing end will receive the careful attention that the Congress expresses in its declaration that it should receive?

Mr. DODD. I think that any Secretary would be sure to use every facility at his disposal to carry out the intent of the Congress.

The CHAIRMAN. And you feel that the law could be better administered under the Division of Production and Marketing than it could if we created a separate Division of Marketing?

Mr. DODD. Yes, I believe that very strongly.

The CHAIRMAN. Why?

Mr. DODD. I think the Secretary should be allowed to use his own discretion in how he sets up the administrative organization to carry out the acts that are passed by the Congress, and I think any other type would tend to be restrictive.

The CHAIRMAN. That may be true. But I do not know why you think that this law could be better administered in a division that has charge of production and marketing than it could in a division impressed solely with the responsibility for marketing.

Mr. DODD. Mr. Chairman, I think the producers of this country have today and probably will have more so in the future, for some time to come, at least, as much interest in marketing as they have in production. I think the two activities have to be carried along together, so that when you go to the producer with a program of production you need to be in position to advise them that there will be markets, and that needs to be done at the time they plan their crops, so they can plant their crops with the assurance that the whole field has been covered, that you do not have two separate organizations, one looking after the production end and someone else looking after the marketing end.

The CHAIRMAN. In other words, the production and marketing activities should be coordinated?

Mr. DODD. Very closely.

The CHAIRMAN. And put under one head.

Mr. DODD. Under one head.

The CHAIRMAN. And that is true because those in charge of production, when the program for production is planned, will not overdo the job.

Mr. DODD. That is right.

The CHAIRMAN. Because there is a limit to the amount of distribution and of marketing.

Mr. DODD. We have a good example on that; have had for three times that I know of during the last 5 years on early potatoes. The potato producers have gone ahead and grown early potatoes; they felt that ended their job, and then the marketing section comes along about the time the surplus gets pretty large, and we have not taken the two programs together, the growers and the marketing end. Now if you have one agency making plans both at the production and the distribution end you help determine in advance what the production should be and be ready to deal with the distribution problem.

The CHAIRMAN. In other words, you think that if there had been proper coordination of the marketing and production activities of potatoes that you would have more or less kept the production problem in line with the problem of distribution.

Mr. DODD. Yes; we could have had the market information on our books; we could have had the outlets pretty well defined to take care of a heavier volume.

The CHAIRMAN. You would have been able to develop a program of channeling these potatoes into different markets and that could have been worked out before time.

Mr. DODD. That could have been done by harvesttime.

The CHAIRMAN. And you think that could be carried out better under one division.

Mr. DODD. That is correct.

Mr. ANDRESEN. Mr. Dodd, is it not possible now to secure coordination between the different units within the Department of Agriculture?

Mr. DODD. It is, and I think we are rapidly doing that, Mr. Andresen. We did not have funds available on research.

Mr. ANDRESEN. You need additional funds to secure coordination?

Mr. DODD. No; but to do the research.

Mr. ANDRESEN. Do you not have staff meetings of the various divisions?

Mr. DODD. Every morning.

Mr. ANDRESEN. Every morning?

Mr. DODD. Yes.

Mr. ANDRESEN. And do you not talk over the production and marketing problems when they are coming up?

Mr. DODD. Yes.

Mr. ANDRESEN. And is there not some effort made then by each agency to work out with the other agencies an effort to coordinate both production and marketing?

Mr. DODD. There is now, but that is really of rather recent origin.

Mr. ANDRESEN. How recent?

Mr. DODD. The first move was made along in the fall.

Mr. ANDRESEN. Last fall?

Mr. DODD. Last fall, yes. Then, of course, going back some 10 years, at one time we had set up production on one side and marketing

on the other. Then we split marketing and production in two and then they were brought back to one; they were combined with production for a short time. And then again they were pulled apart and during the War Food Administration time it was again split; and then we had the marketing service; then we had the supply program which had to do with the development of new markets. Then they were brought together. Then a recommendation was made last August, as I recall, about the 18th of last August, and then as rapidly as possible we have tried to get these activities to function together.

Mr. ANDRESEN. Is it not a fact that the Department of Agriculture has become so big in its personnel that it is pretty hard to keep track on any individuals in the Department?

Mr. DODD. No; I do not believe so. We have the shortest personnel that we have had for a long time.

Mr. ANDRESEN. You have over 80,000 now in the Department, have you not?

Mr. DODD. I do not know the exact figure, but I know the over-all figure is less than it was. I know in Production and Marketing that it is smaller.

Mr. ANDRESEN. By a little effort you can put the personnel that you had to productive use on planning the agricultural program both for production and marketing research?

Mr. DODD. I think that is correct. I think we are rapidly getting to that point.

Mr. ANDRESEN. Then there is no legislation needed for this purpose?

Mr. DODD. I think this legislation is necessary because of the research and experimental activities that this bill would allow the Department to carry on.

Mr. ANDRESEN. This will provide for more employees; will it not?

Mr. DODD. It might or it might not.

Mr. ANDRESEN. You do not feel that the two activities should be separated in this bill?

Mr. DODD. No; I think that title II is all right except where it sets up a special section for marketing services.

The CHAIRMAN. You recommend that the activities set up in title II be administered—

Mr. DODD (interposing). By the Secretary.

The CHAIRMAN. And not be set up as a separate division as the Marketing Administration.

Mr. DODD. I would prefer to have it set up so that the Secretary be empowered to do the job.

The CHAIRMAN. Yes.

Mr. DODD. Without restricting his hands as to just how he would carry it out. The idea of setting up the separate marketing administration would of necessity call for more employees; you would have to set up an office the same as you have for the rest.

Mr. ANDRESEN. As I understand the purpose of title II is to coordinate the activities, not merely to have additional money, but to get the agencies consolidated into one program.

Mr. DODD. I think you are right; it would be an attempt to consolidate the activities of the Department, but when you set up a separate administration for marketing you pull them apart again.

Mr. ANDRESEN. I have also a research provision in H. R. 295 which I have not pressed too seriously for action in connection in the bill because I do not think there is a chance in the world of this bill passing the Congress during the present session, and I think we are probably wasting time in going into the matter now. I am interested in a research provision, and I want to go into over-all research that will cover a new program, and I propose at the proper time to offer an amendment to this bill so that we can include research into the production of new crops to be produced here in the United States.

The chairman has included a short sentence in this bill to provide for that, but I want to have some consolidated activities in the States, to cooperate in the State research agencies on the production of and the experiment with new crops.

Mr. DODD. Also on how to use those crops. We have not anywhere near completed the development of new markets, improvement of transportation, of processing, of storing, or movement of commodities from the farmer to the consumer. That is one of the largest fields and we have not as yet given anything like the attention that should be given to it.

Mr. ANDRESEN. I think the time is coming when we will have surpluses here in the United States of some of the basic crops.

Mr. DODD. We have some right now.

Mr. ANDRESEN. And I think it is necessary that we recognize now that the time will come when new crops should be developed in this country to replace some of the surplus crops.

Mr. PHILLIPS. Not only new crops, but the production of many other crops which are needed to produce such things as rubber and other commodities from which we were cut off during the war.

The CHAIRMAN. Mr. Phillips, there is no difference between the views of the Department and the views expressed on the legislation introduced by Mr. Hope with the exception of the administration set-up.

Mr. HOPE. I understand, Mr. Andresen, what you referred to is covered in the new bill.

Mr. ANDRESEN. I was referring specifically to research, and my bill provides for active cooperation in the field between the research divisions of the State and also cooperation with the individuals concerned in the production of the new crops, with the possibility of crops that can be produced commercially in the United States.

Mr. HOPE. Would not the inclusion in the provision of the bill as it is now drawn do practically the same thing as is done in your bill?

Mr. ANDRESEN. It would be somewhat similar to this.

Mr. HOPE. Does not it accomplish the same purpose?

Mr. ANDRESEN. In general. The total appropriation in my bill is \$6,000,000 for the purpose, and here there is something like \$40,000,000.

Mr. PHILLIPS. What would the gentleman suggest?

Mr. ANDRESEN. My bill proposes there could be research here in Washington with a certain amount to be spent here, and to work in cooperation with the land-grant colleges, with the States' research program, and also with individuals.

Mr. HOPE. I thought this bill actually did what you had in mind, under the provision for research. It seems to me that it is already in the bill.

Mr. ANDRESEN. It is, but I do not believe it is specific enough.

Mr. HOPE. This may have been discussed previously, Mr. Dodd, before I came in, but as I understand the Department's position you do not object to title II but you do not favor the form of organization which is proposed.

Mr. DODD. That is correct, Mr. Hope.

Mr. HOPE. In other words you think it could be handled within the existing framework of the departmental organization?

Mr. DODD. Yes.

Mr. HOPE. The objection that I have to handling it that way is not based upon the criticism of the organization itself, as such, but I am wondering if the present organization is not such that the work which is authorized by this bill might not be more or less lost in the shuffle if it is attempted to be handled by the present organization.

What I mean by that is this: The present organization as it is set up, at least under existing conditions, must of necessity devote a great deal of its time and energies and attention to matters of buying and selling products. I do not know how long that program will continue, but in all probability it will continue at least for the first year following the war, because of the Steagall amendment.

I have had some connections with those engaged in marketing activities, and I am not referring to the Department, but dealers and processors of farm commodities who are interested in further research in marketing, men whose experience has been that under the present set-up the matter of marketing, with respect to the channels of trade, is not receiving any consideration from the Department.

Do you think it would receive any more consideration than it has been receiving, and I am not talking about if you had more money alone, but if emphasis should be placed upon that type of activity but given to it under another type of organization than the one you have?

Mr. DODD. I feel very strongly this way, Mr. Hope: I would like to call attention to the fact that Secretary Anderson last year, in July, asked for a group of specialists, people who are familiar with the farm problems, both the production and marketing, people outside the Department of Agriculture, but who had had a wide experience in various fields, to come together. That committee came together and devoted some 6 weeks of their time and made a recommendation to the Secretary about the type of organization they thought would be most effective. That included such men as Mr. Jesse Tapp, vice president of the Bank of America, who had been with the Department; Mr. Thorne, of the packers; it included Mr. Eisenhower, president of the Kansas State College; Mr. Gamnitz, who works with the Cheese Institute of Chicago, and who had been in the dairy field for many, many years, and who also had spent some time in the Department working on distribution and marketing problems; and their recommendation was that the activities should be combined under one administrator, because they felt that marketing would get much more attention than if it were set up under a separate administration and administered by itself.

Mr. HOPE. How has that worked out?

Mr. DODD. We are just now about to get set up in line with the recommendations of that committee. As you know it takes some

time to take a large organization such as the Department and bring those activities in line with that kind of a reorganization.

Mr. HOPE. Does their recommendation include the type of marketing research that is provided for here?

Mr. DODD. No. They call attention to the fact that there is not that we do not have the authority for some of the types of research they thought should be conducted. Less has been done for the last several years because no attempts have been made to develop new markets or new uses.

The CHAIRMAN. Mr. Dodd. As I understand from you that problem was gone into by the committee?

Mr. DODD. Very thoroughly.

The CHAIRMAN. And the committee thought that there should be proper coordination.

Mr. DODD. That is correct.

The CHAIRMAN. Between marketing and production.

Mr. DODD. Yes.

The CHAIRMAN. So there would be a complete follow-through from one to the other, from the farmer to the consumer's table.

Mr. DODD. From the time of the planning of the production program until the product actually reaches the consumer, yes.

The CHAIRMAN. I understand further from you that the marketing end has not been receiving the study that it really should. .

Mr. DODD. Very definitely not.

Mr. PHILLIPS. I did not understand just what was the difference between the set-up in this bill and what you propose, Mr. Dodd. What is the difference between the organization that is proposed in this bill and what you have in mind?

Mr. DODD. This bill, on page 5, title II, line 7, states [reading]:

For the attainment of these objectives, there shall be established and maintained within the Department of Agriculture an Agricultural Marketing Administration.

That is the only thing in the bill, Mr. Chairman, that I think weakens the bill, which actually makes it more restrictive; it would set up a separate administration within the Department, under which it tends to have folks follow just one particular line without realizing the problems that are inherent in the field of marketing and production.

Mr. HOPE. I just want to reiterate the fear I have that, if you continue the present Production and Marketing Administration, research still will be overshadowed by the buying and selling activities of the Department and that research would not have any chance.

Mr. DODD. I have no fear on that point.

Mr. PHILLIPS. Will the gentleman yield for a question?

Mr. HOPE. Yes.

Mr. PHILLIPS. Mr. Dodd, what sudden change has taken place in the Department of Agriculture in the last few months, other than your very pleasant rise to the Under Secretaryship, which makes you think that the question of policy of the Department of Agriculture might undergo a change, when the Department has had right along, under the Bankhead-Jones Act, the authority to engage in research, and I am trying to look at research as it relates to improvement in production, marketing, and distribution.

Mr. DODD. That is right.

Mr. PHILLIPS. That bill was passed about 1935, I believe, and has been in effect some 11 years, and, as Mr. Hope indicated, the research into production has just completely overshadowed research into marketing. If you stop all research into production and devoted all of the time of the Department into research into marketing, and I am not suggesting that be done, because I think there is a lot needed to be done in production, but it would take more than a decade, probably, to catch up, because the research into marketing has been so completely overshadowed, but if you should combine the two, without setting up a separate and distinct function the way this bill proposes to do, the research into marketing would still be overshadowed.

Mr. DODD. Mr. Phillips, for a long time in the Department, I suppose for as many as 10 years, there was a separate administration for marketing and research in that field, and also there was a separate unit for production.

Mr. PHILLIPS. That is for the last 10 years?

Mr. DODD. For the past 10 years, I think, from about 1935 and perhaps before; I guess the first administration dealing exactly with that was when the first Surplus Crop Act was passed.

Mr. PHILLIPS. What has been done under that?

Mr. DODD. I think they have made a great headway up to 2 years prior to the war when the war demands overshadowed the needs for finding new markets and new uses or greater uses, and the war demands called for increase in activities of production. The production was the main issue and research and development of markets were no longer emphasized. The problem has been more with the production and shipping rather than with the development of new markets. Now, the same people, same group of people, are moving over into the marketing side and devoting more time at their disposal to the marketing problems. I think the two should go side by side. I think the farmer is just as much interested in the disposal of his commodity, in transportation, storage, as he is in the production of the crop, because after he produces the crop he still has the problem of disposal. All of these other activities must be coordinated.

Mr. PHILLIPS. Refrigeration, packaging, and everything else.

Mr. DODD. It is all in that same field. But all of these things have been put aside, you might say, ever since 1939, since the first demands begin to come in for increased quantities of food.

Mr. HOPE. Mr. Dodd, I think the difference is one of policy, a fundamental question of policy as much as anything else. The research end has been set up apparently without much thought to developing markets through commercial channels under the control programs, and is going to be handled in an agency and by men who have not given any particular thought to that end of it. They are in it now, faced with a different activity, so far as marketing is concerned, with the Government buying and selling. That is one of the problems you are faced with now in disposing of potatoes, because if they are not able to do it the Government will buy them and they can make a disposition of the potatoes one way or the other. There is always another way of doing it.

A lot of us would like to see it handled in such a way that the Government would not be in it; that it be worked out through re-

search, that new uses, new purposes, and new methods of marketing be developed with the result that we absorb these extra products. As long as you have people administering these things who think the way to handle it is to do it through the Government buying and selling you are not going to give the research and marketing phase of it the proper emphasis.

Mr. DODD. I do not believe, Mr. Hope, we have people in charge of the marketing side who feel that the Government should handle these activities. Practically the only activity that we are engaged in at the present time are those that are covered under the Steagall amendment.

Mention was made of potatoes awhile ago. I think a great deal has been done in the last 2 years to find new uses and new markets for potatoes. I think a wonderful job was done in the last 2 or 3 years in finding outlets for potatoes and new uses for potatoes. I do not think a good enough job has been done about tying together production and marketing end; that is, the marketing side of the activity was always a little behind the production program.

Mr. HOPE. Of course under the new uses program, such as the potato use program, that has all been carried on under subsidy payments, by use of Government funds.

Mr. DODD. Up to the present time, but if we had more dehydrators available to process potatoes the surplus crop could move for feed for animals at practically no subsidy. The trouble is that we have nine dehydrators out on the west coast but none in the central part of the country or along the east coast.

At the present time the distillers are buying surplus potatoes and making their contracts direct with dealers for potatoes at a price that is about 75 cents lower than the support price. But where deals are made directly with the producer, where they cannot be moved directly to the distiller, and most of the distillers are not able to use raw potatoes—that is, the potatoes need to be dehydrated to make them available for a wider market. And they are limited to just using a certain percentage until we can find out new uses and process the crop and put it into new channels. And we have not been able to find new markets as fast as I think should have been done. I believe that the two things tie together so closely that I do not believe we dare to set up one group just to think about marketing and another group to think about production alone; that will get us into serious difficulty.

Mr. HOPE. As long as we are going to follow the policy of having the Government in business, of disposing of the surplus crop, I think probably the thought of having the production and marketing activities tied together may be logical. If you are going to use the same controls, and if you are going to have the Government handle the crops then you will want to have something to say about how large the crop is going to be, and what controls are going to be necessary so that the Government will be in position to handle the output. But it seems to me when you do that you are putting the emphasis entirely upon something that is running counter to what we are trying to reach here, and that is actual research and what can be done in the line of expanded markets, of packaging, of new outlets, and all that sort of thing; things that are commercially feasible.

Of course you can sell potatoes for alcohol at any time at a price, and you can dehydrate a lot of them for livestock feed and have the taxpayers foot the bill. But it seems to me if we are going to have research that is sound from the standpoint of practical disposition of the products of agriculture through commercial channels that it has to be approached from a different standpoint, and one that is disassociated from the production end entirely.

Mr. DODD. I do not see how you can disassociate it from production. We have the four large laboratories that the Congress made possible in the four different regions of the United States, dealing with crops that are indigenous to those areas. I think they have done some wonderful things in finding new uses for crops that were already grown, and in the development of new crops for which we have use in this country, but I do not believe that we can disassociate all of those things. I for one would like to see some way by which the Government could be out of business 100 percent tomorrow. Most of the activities we are now concerned with are the commodities that fall under the Steagall Act, in the matter of price support. Those efforts I think will have to continue under some sort of Government operation for a while. But I do not believe that the farmers of this country should be called upon to plan their crops without knowing pretty well in advance what markets are available for the crops; whether they be vegetable, fruit, grain, livestock, or what not, they ought to have available pretty good information as to whether markets are going to be available, and I do not see how that can be done without having coordination between production and marketing.

Mr. HOPE. You would have them tied up together if the marketing information is made available. You provide information service as to distribution outlets.

Mr. DODD. There has to be coordination between the two. The two have to be tied together at some place.

Mr. HOPE. That is on the theory that you are going to have controls, that you are going to continue to support price, and that will always be a part of the program; and if that is to be true probably they have to be tied together, and I think that is based on the theory that we are going to have to continue these controls and the support price program and that sort of thing. That is the thinking that makes me apprehensive. Your research on production is under the Agricultural Research Administration?

Mr. DODD. That is right.

Mr. HOPE. And that set up continues.

Mr. DODD. Yes.

Mr. HOPE. Would it not be just as logical to have a marketing research administration to conduct research work rather than throw it into an agency where the main function is concerned with Government buying and selling?

Mr. DODD. I think that you could do the same thing, Mr. Congressman, without setting up a separate administration. You do not have a separate administration set up on the production side. The research end is handled, surely, by a group of research people, but their results are made available to the people who operate the production program. I do not believe that you would have to set up in the Department a separate administration.

Mr. HOPE. Would your viewpoint be any different if we were to leave out of this bill the transfer to the Agricultural and Marketing Administration the regulatory functions that belong to the Department that are transferred to this new administration?

Mr. DODD. It would make a good deal of difference to me, then. I think that your regulatory work, your inspection, warehouse inspection, grain and meat inspection, and all those others, are an integral part of your day-to-day operations. They should not be pulled over and set up by themselves in a separate administration.

Mr. HOPE. One of your principal objections is not that part of title II in its present form that would transfer the regulatory operations over to the new set-up?

Mr. DODD. I think that you can do it better. If you leave the regulatory work where it is now. I think that you can still set up a research organization within the Department without specifically setting it up as an administration. I think that the Secretary should have leeway enough to use his own discretion as to the people that he wants to put on research and those that he wants to put on some other activities, without having his hands tied, and without having them all combined into one administration.

Mr. HOPE. The only thing is that we have had a Department of Agriculture here for about 80 years or more and we have not had anything like that done. The research and production have been carried on in a marvelous sort of way, but we have not done much in the other direction. Some of us would like to see it done, and to make sure it is done, we have provided for the setting up of an agency that will do that very thing.

Mr. DODD. We have never had the authority either, Mr. Congressman, to do that kind of research and have never had funds enough available.

Mr. HOPE. You have had a lot of authority that you have not used.

Mr. DODD. I think that is right. We could have gone further than we have.

The CHAIRMAN. I think everyone will admit that marketing has been neglected. We might as well look the facts in the face.

Mr. HOPE expresses my fear, which is this: We do not want to slip up again on this legislation. We want to know that the intent of Congress with respect to marketing will be carried out. I want the best method we can work out set up with respect to the administration of the law.

Mr. DODD. You would not have any more assurance, would you, Mr. Chairman, if you had it set up in a separate administration? If you give the Secretary the responsibility for carrying it out, would that not be the same?

The CHAIRMAN. If it were not for our past experience in marketing, I think that I would agree with you 100 percent, but there is a fear that still lurks with me that marketing will be treated more or less as a stepchild. I want to see marketing on an equal footing, at least, with production and given the same consideration.

Mr. DODD. I agree with Congressman Phillips. I think that the problem is going to force that kind of attention in the period ahead of us for some time, and I think if nothing were done you would force

much more work on the marketing side than on the production side for quite some years. We are pretty well caught up on production, but we are desperately short on the other side.

Mr. PHILLIPS. You do not think the same research for both production and marketing could be done by the same people?

Mr. DODD. No; absolutely not. I would like to make a point, if I may. I do not believe that your research people should be tied up with action programs in either field—production or marketing. I think they have to be separate and apart. But you can do that if you have the authority, without setting up a separate administration. I think that your day-to-day action programs have to be handled by different groups of people than the people who do research.

Mr. ZIMMERMAN. That sounds like common sense to me. Did I understand you correctly to say a moment ago the reason the research in marketing had not had the attention in the past that we hope it will have in the future is because of the lack of authority in the Department of Agriculture to do that?

Mr. DODD. Partly a lack of authority.

Mr. ZIMMERMAN. In other words, you started out with limited authority to do that job?

Mr. DODD. That is right.

Mr. ZIMMERMAN. And you think if that authority is vested in the Secretary and the responsibility is placed upon him to do that, that will enable the Secretary to do it, and you think that he will do it just as he has carried out his other functions or duties that have been conferred upon him?

Mr. DODD. Yes; and if he is derelict in his duty, the Congress or this committee can call upon him and ask him, "Why not?"

Mr. ZIMMERMAN. Speaking of the potato question, you said that we had several dehydrating plants in the West. Are they operated by the Government?

Mr. DODD. Partly by the Government and partly by private industry.

Mr. ZIMMERMAN. For example, in my section we have had difficulty in the past harvesting our alfalfa where we have bountiful crops and probably can get more cuttings than anybody because of the long season. The rains would destroy our alfalfa for marketing purposes. It would be all right for feeding cattle and mules.

I do not know who did the job, but somebody did a lot of experimentation, and now we have dehydrating plants all over the country where the farmer will dehydrate his alfalfa and have it milled and will not lose a blade of it. Dehydrating has become a very profitable business. I do not know why the Government should have to subsidize that potato-dehydrating plant if an investigation of that process would convince the general public that it was a profitable business. I think if the Research Division would lay the facts before men looking for new enterprises, those men would go into that just as quickly as they went into the business of dehydrating alfalfa.

Mr. DODD. The idea for that developed in the Department's research group. That was done in the local experimental stations.

Mr. ZIMMERMAN. That is right. I am not one of those who wants to take away from the Secretary of Agriculture all power. I think when he is given some definite program to carry out Congress may expect him to do that and the country can expect him to do it. I think that he will do it.

Mr. DODD. I think that he will, too.

Mr. ZIMMERMAN. If we will do that, we can sit back and say, "What have you done?"

The CHAIRMAN. There is no provision in the bill to take anything away from the Secretary of Agriculture. The only thing is whether there should be a separate department of marketing.

Mr. ZIMMERMAN. Who is going to set it up, the Secretary of Agriculture? If we give him the authority to do it, I think that is what he should have. I think that we should give him the money to do it, and I do not think there is any doubt about its being done. I cannot see why, as you say, we could not have a group of men over here working on production and another group working on marketing just as other groups are engaged in different functions in the Department of Agriculture every day and have been for years.

Mr. DODD. In the research field.

Mr. ZIMMERMAN. That is right.

Mr. DODD. When you get down to the day-to-day action programs where something has to be done, where you have to inspect a crop of wheat or of vegetables, that program should not be tied back to your research people.

Mr. ZIMMERMAN. At any rate, we will have to furnish the money to do it and get the personnel to do it and give the authority to do it; and if you can do that, I am sure that it will work, because I have never seen the Department of Agriculture fail to make an honest effort in any field. That has been my observation.

Mr. RIZLEY. Do you agree with Mr. Hope and Mr. Flannagan that in the past few years the Department has emphasized production over marketing?

Mr. DODD. Very much so. I have been one of those driving as hard as I could on production.

Mr. RIZLEY. Then you agree?

Mr. DODD. Absolutely; 100 percent.

Mr. RIZLEY. Could you name a few concrete examples of research extending over into production?

Mr. DODD. I think that probably the most has been done in new varieties. Soybeans would be a good example. Getting the acreage of soybeans alone would not have mattered, but now we have a variety of soybeans that gives more oil and harvest better and yield 10 to 15 bushels per acre more than the old varieties, and I think that is where research tied in.

We produce about six times as many bushels of soybeans right now as we did prewar.

Also, I think that hybrid corn is a good illustration. You can take almost every commodity. There are better varieties of wheat. Last week out at your Wheat Improvement Association meeting in Kansas they showed what they have been able to do with two or three varieties of wheat—how they get more wheat per acre and how they have a better variety of wheat—and I think that is a good illustration.

Mr. RIZLEY. I agree with you 100 percent. I think that is the reason that the marketing feature becomes so important now. I think there is probably some excuse for soybeans during the past 2 years, because there were a lot of things that we had to have during the war.

Mr. DODD. Yes.

Mr. RIZLEY. But now the marketing end is becoming more and more complicated and is going to become still more complicated. There is going to be a tremendous need for the marketing end. I think that most of the people on the committee believe and feel that we certainly need to go into the marketing end of it now in a greater way than ever before.

Mr. DODD. I agree with you 100 percent. I do not believe that we will have much of a surplus problem in this country if we plan from the conservation angle, treat our land from the conservation angle, have the kind of crops that will protect the land's fertility. I do not care about exporting 10 percent of our wheat if we have proper land use throughout. I think that we are a long way behind on our conservation and the proper use of land. I think that a good illustration is in the Corn Belt right now, where we have plowed up about 11,000,000 acres in the central part of the United States, where that was getting into the proper rotation of legumes and grasses.

We have to have the prices so that a man can afford to get a decent price for his cattle or milk, so that he can continue to use his land properly. During the war our demand was so great for cereals, and so forth, that we got into a pretty bad position in land use. That land has to be protected quickly, or we are going to lose some of this land permanently.

Mr. RIZLEY. I do not quite understand what your objection is to this.

Mr. DODD. Setting up a separate administration within the Department to handle marketing. That is my principal objection. I think that all the objectives could be met without setting up a separate administration.

Mr. PHILLIPS. And putting regulatory functions in it?

Mr. DODD. Yes.

Mr. VOORHIS. I would like to ask Mr. Dodd a question about a provision that was included in the agricultural appropriation bill this year which had to do with the Bureau of Agricultural Economics, and which I believe, if I interpreted it correctly, limited the number of people employed by the Bureau who could be assigned to any one State and said that no work could be carried on except when that work was approved by the State extension service.

Now, what would be the effect of that provision on this bill, and what would be the effect of this bill on the provision?

Mr. DODD. I do not believe it would have any effect on this bill, because that was in the field of planning and study that had to do more with social studies and that sort of thing rather than land use or crop use.

Mr. VOORHIS. And would not have any effect upon what we are aiming at in this bill.

Mr. DODD. No.

Mr. VOORHIS. Despite what you had to say in criticism of title II, you would agree, would you not, that research in the field of marketing and distribution is one of the most essential things we need?

Mr. DODD. That is right, and the one that we are furthest behind in.

Mr. VOORHIS. That is true.

Mr. ZIMMERMAN. May I make this observation: This is a very important question we are discussing, putting upon the Secretary of

Agriculture the responsibility and duty of setting up this Marketing Research Bureau in the Department. Do you think, or do you not think, that if we put that responsibility on the Secretary, Congress and the public would have a better chance to put their complaints in against the Secretary and say, "You have not done this?" But if you set up this department, he can say, "You have set up this department. I am not responsible for what has been done. You have done it yourselves." He would be more or less tied.

Mr. DODD. You have tied his hands when you ask him to set up a separate agency.

Mr. ZIMMERMAN. We hear the shibboleth "bureaucrat."

Mr. PHILLIPS. You have not seen any?

Mr. ZIMMERMAN. Very few. I will say this—that most of the men have been fine, upstanding men who have been trying to do their jobs. There are a few "knots" who bring a lot of criticism.

Mr. HOPE. Perhaps we should have a definition of terms here. I do not know what we are talking about.

Mr. ZIMMERMAN. Bumps on a stick. If you put the responsibility on the Secretary and give him the money, the direction and the power to do it, I think that you can put the clamps on him and make him do it. If he does not, we can get a new Secretary of Agriculture.

Mr. DODD. You have said it so much better than I tried to. If you direct the Secretary of Agriculture to do certain things and give him the money and the responsibility that go along with it, he will get it done.

The CHAIRMAN. There is another question the committee would like to have your opinion on. I wish that you would turn to page 22 of the committee print, subsection (c), which reads as follows:

In the conduct of any of its work, the Administration may cooperate with other branches of the Government, State agencies, private research organizations, purchasing and consuming organizations, boards of trade, chambers of commerce, other associations of business or trade organizations, transportation and storage agencies, and organizations, or other persons or corporations engaged in the production, transportation, storage, marketing, and distribution of agricultural products, whether operating in one or more jurisdictions.

It has been suggested that after the word "jurisdictions" we strike out the period and insert a comma and add this amendment:

Except that research work done in cooperation with State agricultural agencies shall be done in cooperation with the State agricultural experiment stations, and educational work done in cooperation with the State agricultural agencies shall be done in cooperation with State agricultural experiment stations.

In other words, all of these activities at the State level would be handled by the experiment stations and the Extension Service.

Mr. DODD. That would make it too restrictive.

The CHAIRMAN. You would not be in favor of it?

Mr. DODD. I would be in favor of inserting the word "processing." That would broaden the field. I think that we have to do more work in the processing field.

The CHAIRMAN. But you would not favor restricting the research and educational end of the activity?

Mr. DODD. No, sir.

Mr. PHILLIPS. Before we leave this subject, neither Mr. Rizley nor I were entirely clear on this point. You said that you did not want the regulatory activities in the new function. We can understand

that. Or, you did not want research in with the project work, the practical project work. We are not quite sure why it would hurt to have a separate department or a separate administration other than for those two points.

Mr. DODD. I do not know whether I can find the right words to tell you what I think. Actually, when Congress sets up a special administration, the people that you put over in that administration feel that they are set up separate and apart from the rest of the folks, and it is hard to get the proper supervision and use of them. I think that it would be much better if you told the Secretary to get this job done and allow him the leeway to set up an administration.

Mr. PHILLIPS. I understand. What is your objection to the connection between the research work and the practical field work, because I think one of our handicaps in research, both from production and what little has been done in marketing, is that it has sort of been set up on a marble column as a separate thing.

Mr. DODD. That may have been true of the past. I do not think it is true in the production field, and that is where a large part of this work has been done. The research people have to set up some sort of long-range program. Research is not one of those things that you shut off and on. You may start with a variety of wheat and it may take years before you develop it. They work with the operating people. If you need a variety of wheat that needs more flour, or has more gluten, or better straw, they tell the research people what they need. They go ahead and work on the problem.

Mr. PHILLIPS. What do you want to separate them from?

Mr. DODD. From an actual setting up of an administration.

Mr. PHILLIPS. You said that you wanted to separate the research and the field work.

Mr. DODD. I do not believe they should be a part of the same organization.

Mr. PHILLIPS. How are they going to tell if there are any practical results from their research?

Mr. DODD. They will work with the people in the operating end, the action end of the program; they will work with them from day to day and keep in close touch.

Mr. PHILLIPS. What are you trying to separate the research from?

Mr. DODD. From your day-to-day action program.

Mr. PHILLIPS. You do not want the man on research used on a day-to-day program?

Mr. DODD. I do not want the man who is in charge of the day-to-day program to be giving orders to the research man. I do not want him under his supervision. You have set up commodity branches. You have the Cotton Branch that operates on your day-to-day cotton problem—the procuring, marketing, and shipping, as well as inspection. At the same time, you have a large group working on cotton research. I do not believe they should be directly under the operating men. They work together, but I do not believe they should be under their supervision.

The CHAIRMAN. We certainly thank you for your appearance.

The committee will stand adjourned until 10 o'clock tomorrow morning.

(Whereupon, at 11:20 a. m., the committee stood adjourned until 10 a. m. tomorrow, Tuesday, June 25, 1946.)

AGRICULTURAL RESEARCH

WEDNESDAY, JUNE 26, 1946

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 o'clock a. m., the Honorable John W. Flanagan, Jr. (chairman), presiding.

The CHAIRMAN. The committee will come to order.

I understand that Mr. O'Neal could not be present this morning, and has sent a prepared statement. How long is it?

Mr. RANDOLPH. Is the pleasure of the committee to have it read, or have it inserted in the record?

Mr. HOPE. I would like to ask what the nature of it is. Does it contain specific recommendations?

Mr. RANDOLPH. It has to do with title II.

Mr. Chairman, with your permission, I would like to present a statement by Mr. Edward A. O'Neal, president of the American Farm Bureau Federation. He could not be here this morning on account of other engagements and he asked me to read this for him.

My name is Walter Randolph. I am president of the Alabama Farm Bureau Federation. [Reading:]

STATEMENT OF EDWARD A. O'NEAL, PRESIDENT, AMERICAN FARM BUREAU FEDERATION, PRESENTED BY WALTER RANDOLPH, PRESIDENT, ALABAMA FARM BUREAU FEDERATION

For several years past, the American Farm Bureau Federation has advocated the expansion of research and services in the field of marketing of agricultural commodities. We, therefore, favor the provisions of the Hope bill, H. R. 6692, for the expansion of research and services in the field of marketing, provided the bill is clarified in several respects to prevent duplication of activities, to clarify and safeguard the administration of section 32 funds and programs, and certain other suggested changes which we believe are constructive.

With respect to the provisions of the Hope bill which provide for reorganizing the marketing functions and agencies within the Department of Agriculture by placing all such agencies under an Agricultural Marketing Administration headed by an Administrator directly under the Secretary of Agriculture, we have no policy with respect to this matter at this time, and therefore I am not in a position to make any recommendation on this.

We are greatly concerned over the language in the bill which, unless further clarified, would open the door to widespread duplication of the present functions and activities of the State agricultural experiment stations and the agricultural extension service.

We refer particularly to the authority given in the bill to allocate funds to State departments of agriculture, State bureaus or departments of marketing, and other appropriate State agencies, and other institutions for cooperative research and educational work in marketing. We fear that this will result in several State agencies engaging in the same work; and consequently that there could, and probably would, develop much duplication of effort and confusion.

The cooperative relations between the United States Department of Agriculture and the land-grant institutions and other State agencies, such as the State departments of agriculture and State bureaus and departments of marketing, are of vital importance, and have had close attention by the Congress and officials of the Federal and State governments for a long time.

One of the soundest statements made on the subject was by Secretary of Agriculture Henry C. Wallace in a communication dated February 23, 1923, to the governors of the several States. This communication read as follows:

"In view of the cooperative relations which this Department is forming from time to time with various agencies, I am venturing to bring to your attention the policy which we observe in our cooperative relations with the State public agencies.

"In all regulatory work and matters of law enforcement, we cooperate with the State departments of agriculture or such other law-enforcement agencies as the State may have created.

"Our research work, if done in cooperation with the States, is carried on with the experiment stations of the agricultural land-grant colleges.

"Our extension work in agriculture and home economics is carried on with extension divisions of the agricultural colleges. This cooperation is made mandatory in the Federal Smith-Lever law itself, the provisions of which have been accepted by the State legislatures. We have also an agreement with the State agricultural colleges to the effect that any Federal funds which may come to this Department direct from Congress for extension work within the various States will be expended for work carried on in cooperation with the extension divisions of the State agricultural colleges.

"I am informed that the National Association of Commissioners, Secretaries, and Departments of Agriculture, and the Association of Land-Grant Colleges have endorsed and recommended this general plan of administration and that it is spreading rapidly. General development along this line, it appears, will enable the Federal Government to cooperate effectively with the different State agencies without confusion of functions.

"The above, in brief, states the principles which guide us in our cooperative relations with the States, and which I trust may be in general accord with your views." (Quoted from p. 453, Proceedings of the Forty-third Annual Convention of the Association of Land-Grant Colleges and Universities, Chicago, Ill., November 12-14, 1929.)

Various acts of Congress recognize the principle that research work, including research work in marketing, and extension or educational work, including extension or educational work in marketing, should be done by the United States Department of Agriculture in cooperation with the State experiment stations and State extension services of our land-grant colleges.

For example, the Purnell Act, providing additional funds for agricultural experiment stations, approved February 24, 1925, stated in part:

"The funds appropriated pursuant to this act shall be applied only to paying the necessary expenses of conducting investigations or making experiments bearing directly on the production, manufacture, preparation, use, distribution, and marketing of agricultural products * * *."

The Bankhead-Flannagan Act, to provide for the further development of cooperative agricultural extension work, approved June 6, 1945, stated that funds authorized to be appropriated thereunder were "for the purpose of paying the expenses of cooperative extension work in agriculture and home economics, including technical and educational assistance to farm people for improving their standards of living, for developing individual farm and home plans, better marketing and distribution of farm products * * *."

In our opinion, the above quotations from law and from the communication of Secretary Wallace set forth a sound program with reference to cooperation between the United States Department of Agriculture and the State agencies with reference to research and extension or educational work as well as regulatory work and matters of law enforcement. You will note former Secretary Wallace set forth the policy that in regulation and law-enforcement work the Federal Government should cooperate with the State departments of agriculture and such other law-enforcement agencies as the State may have created.

We believe that the bill should be amended to provide that research work done thereunder in cooperation with State agricultural agencies shall be done in cooperation with State agricultural experiment stations and that extension or educational work done thereunder in cooperation with State agricultural

agencies shall be done in cooperation with the State agricultural extension services, and that none of the funds expended under the bill, which is now title II of the Flannagan bill in the committee print, shall be expended through any State agricultural experiment stations, or any State agencies for purposes, functions, or services which would duplicate those provided by the State agricultural extension services or the State agricultural experiment stations under existing State and Federal laws.

We, likewise, feel that the bill should be clarified to safeguard the expenditure of funds and programs provided under section 32 of Public Law 320, Seventy-fourth Congress, as amended. This section provides that the funds appropriated by it shall be used by the Secretary of Agriculture only to—

“(1) Encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption;

“(2) Encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low-income groups as determined by the Secretary of Agriculture; and

“(3) Reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption.”

We feel that while the purposes set forth in the above-quoted section may involve some marketing activities, that such marketing activities are of the action-type nature and not of the type intended to be covered by title II of the committee print. The language in the bill with reference to section 32 may constitute an amendment thereto with reference to the use of the funds; and certainly the bill does, in effect at least, appropriate a portion of section 32 funds for carrying out the purposes of the bill as it appears in the committee print.

We believe it would be desirable for the bill, that is title II of the committee print, to carry its own appropriations, and that all references in the bill to section 32 should be stricken. We are, of course, strongly of the opinion that adequate funds should be provided by the Congress for marketing work in all its phases; but we feel that section 32 funds should be retained for the original purposes intended by Congress. We believe that the purposes sought to be attained under the proposed bill, title II of the committee print, could be achieved by a direct appropriation without disturbing the stated purposes or the funds now provided under section 32.

The language pertaining to the transfer of activities under section 32 to the Agricultural Marketing Administration is not entirely clear to us, but it appears to be in conflict with another provision of the committee print which provides that the Administrator shall not give financial assistance, make loans, or engage in the buying or selling of agricultural products for the purpose of supporting prices. We feel that this latter provision is sound, as we understand the Agricultural Marketing Administration, as created under the bill, is not intended to carry on so-called action programs; but it is conceivably possible that the bill might be interpreted to transfer the activities under section 32 to the Agricultural Marketing Administration, and then prohibit price-supporting programs under section 32. It is obvious, of course, that this would be a rather sweeping interpretation if the legal authorities of the Government should so interpret the bill, but there is enough possibility of it to certainly justify clarification, and we are convinced that the wisest action would be to eliminate from the bill any reference to section 32.

As we stated above, we feel that title II of the committee print should carry its own appropriation. We are strongly of the opinion that this is a better method of securing funds for the purpose of title II than using section 32 funds, or earmarking a portion of the funds authorized to be appropriated under title I for the use of carrying out the purposes of title II. The reason for this is that we believe that all of the funds provided for the purposes of title I will be needed nor carrying out the research program provided for under that title. This is especially true with reference to the funds provided for utilization research.

We doubt the advisability of earmarking a portion of the funds authorized to be appropriated under section 9 (a) of title I for any specific purpose. Undoubtedly, a considerable portion of these funds should be used for conducting mar-

keting research projects. We feel, however, that the principle of earmarking research funds is not desirable. If this principle were carried to its ultimate conclusion, it would necessitate the provision by the Congress of the percentage of the funds that would be used for each phase of agricultural research work. This would be extremely difficult, if not impossible.

In addition, some States' stations may be able to spend more than 20 percent of their funds on marketing research projects, because they have the equipment and personnel available for conducting such work, while other stations might be unable, at least temporarily, to obtain sufficient personnel and could not use as much as 20 percent for such purposes. We believe that plans being made by the State agricultural experiment stations for additional research work in marketing, provided the additional funds are made available, are sufficient to give assurance that an appropriate amount of the additional funds will be used for marketing research. If the committee decides, however, to retain the provision earmarking 26 percent of the State funds for marketing research projects, we believe this provision should provide that the projects be approved by the Office of Experiment Stations of the United States Department of Agriculture, rather than just by the Department of Agriculture, inasmuch as the Office of Experiment Stations is the agency of the Department provided for coordinating the work of the State stations.

We have a few more suggested amendments to the proposed bill, but they are less important than the ones mentioned, and do not involve important questions of policy. We will, therefore, not take the time of the committee with these clarifying amendments, but would like the privilege of suggesting them to the authors of the bill for their consideration and possible presentation to the committee.

Let me reiterate that we are strongly in favor of the expansion of research and services in the field of marketing, and we hope that the bill before you can be so amended that it will be clarified in several respects, including the prevention of the duplication of activities and the safeguarding of the administration and expenditure of section 32 funds and programs.

The CHAIRMAN. Now, Mr. Randolph, let us get to an issue at once and find out just what that issue is. If I understand from the reading of that statement, you want to guard the activities of the experiment stations and the extension service?

Mr. RANDOLPH. Yes, sir.

The CHAIRMAN. In other words, put a limitation upon the Secretary of Agriculture so that he would have to channel certain work through those State agencies, whether he thought other agencies could do a better job or not?

Mr. RANDOLPH. I do not believe I went quite that far, Mr. Chairman.

The CHAIRMAN. That is the effect of it. We might as well come out in the open on the issue and see if we cannot arrive at a proper solution. If you will turn to page 14 of the bill, which pertains to the declaration of policy, beginning on 923, it reads:

It is further declared to be the policy of Congress to promote research, study, experiment and, through cooperation among Federal and State agencies, farm organizations, private industry, a scientific approach to problems of marketing and transportation and distribution of agricultural problems similar to the scientific methods which have been utilized so successfully during the past 84 years in connection with the agricultural products.

That gives the Secretary some discretion as to the State agency that he thinks is in better position to carry out a particular phase of this work.

Now, on page 16, beginning with line 6, it expressly provides:

In effectuating a purpose of this type, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations and the facilities of the Federal and State extension services.

While we give the Secretary some latitude, and I think he should have latitude, we direct, as far as possible, that this research shall be done through the experiment stations and the educational work through the extension services. What is your objection to that?

Mr. RANDOLPH. I do not have any objection to that wording, Mr. Chairman. I merely suggest that there be added somewhere in the bill, at the appropriate place, wording that would be about as follows:

That none of the funds expended under this title shall be expended through any State agencies for purposes, functions, or services which would duplicate those provided by the State agricultural extension services or the State agricultural experiment stations under existing State and Federal laws.

The CHAIRMAN. We might just as well be frank about it. Should we adopt that language we are hog-tying the Secretary, and we are saying to the Secretary, "Now, while we are putting up Federal funds and you are administering Federal funds, you have got to administer those funds not as Congress directs, but as two agencies down here at the State level direct."

Mr. RANDOLPH. That has been the policy of the Congress up to this date.

The CHAIRMAN. I think we would make a great mistake if we tried to hog-tie the Secretary. We have got a job to do. We will make the Secretary responsible for that job. To the farmer, who is supposed to be benefited, it is immaterial to him what agency he works through, just so you get the job done. That is the big thing. If the Secretary is of the opinion that some particular agency down at the State level is better able to carry out the intent and purpose of Congress expressed in this act, why should he not have that discretion? It is a presumption, in my opinion, to think the Secretary will have duplication. Congress certainly would not stand for that.

Mr. RANDOLPH. Mr. Chairman, I would like to say that the record of the Department, I think, will show that there is a great deal of duplication among the various agencies of the Department now. What we are seeking to do here is to prevent duplication in this field, if this bill is enacted into law. I really think that is important, based on the observation and experience I have had with the Department of Agriculture. I think it is important that that be written in the law.

Mr. HOPE. Now, right on that point, we all know there is duplication down at the Department because of the number of overlapping agencies, but do you not think here is something new that we are starting out and we are giving the Department the authority to set up this new work? Do you not have an entirely different situation than you would have had with agencies which have been created piecemeal heretofore, one now and another then, and so overlapping in their work? Here you are starting new work. All you are going to do is give the Secretary authority to carry out the funds and tell him to use whatever State agency he decides can best carry out the work. Do you think the Department will deliberately set up in Alabama, for instance, two or more different agencies doing the same work under this bill?

Mr. RANDOLPH. Yes, sir; I fear they would. That is the reason I am making this recommendation.

Mr. HOPE. Why would they do it? How would that happen?

Mr. RANDOLPH. I do not know exactly why, Mr. Hope. As you have said, there is considerable duplication now. I think that duplication could have been prevented if the Congress, in passing various laws, had written in language to prohibit that.

Mr. HOPE. This duplication we have now is not duplication in the administration of any one law, because we have laws setting up this bureau and that bureau and some other bureau. When the bureaus were set up, there was something indefinite in the language perhaps, and perhaps somebody has gone out and taken authority that was never intended to be given to them and they are duplicating the work.

Here is one agency which is being set up. The Department of Agriculture is being authorized to conduct this work and use whatever agencies in the State they see fit. I cannot conceive that they would go in your State or my State and deliberately distribute this money to two or more agencies and tell them to do exactly the same work. I just cannot believe that.

Mr. RANDOLPH. We just have a difference of opinion.

Mr. COOLEY. You just do not trust the Secretary of Agriculture, do you?

Mr. RANDOLPH. I would not say that.

Mr. COOLEY. What is it you are saying? You say you would not trust him with the powers this bill would confer upon him.

Mr. RANDOLPH. I would not narrow it down to the Secretary of Agriculture or to an individual. The bill really refers to an administrator. I do not think the Secretary of Agriculture is mentioned in the bill. I have very fine respect for the Secretary of Agriculture.

Mr. COOLEY. You have got to place this authority on some person.

Mr. RANDOLPH. The Congress could write in language here that would set up a policy in regard to administration. If you will remember the language I suggested, all that it does is to say that the money will not be spent in such a way as to cause duplication of the functions of the Extension Service and experiment stations, the work they are carrying on.

The CHAIRMAN. Just to get something in the record, Mr. Randolph, I understand that you have an amendment or amendments prepared.

Mr. RANDOLPH. Yes; I do.

The CHAIRMAN. Will you read those, please, at this point?

Mr. RANDOLPH. Yes, sir.

On page 4, line 17, strike out the period after the word "services" and insert the following:

and research work done hereunder by State agricultural agencies shall be done by, or under the supervision of, the State agricultural experiment stations.

On page 6, line 2, after the word "conduct" insert the following: "or contract for."

On page 9, line 20, insert between the words "to" and "new" the word "present" and a comma; and insert a comma following the word "new."

On page 10, beginning in line 17, strike out the following: "no less effective and valuable to the Nation and the cost thereof will be less," and insert in lieu thereof the following: "carried out more effectively, more rapidly, or at less cost."

On pages 12, 13, and 14 strike out section 11.

On page 22, line 22, strike out the period and insert a comma and the following:

except that research work done in cooperation with State agricultural agencies shall be done in cooperation with the State agricultural experiment stations, and educational work done in cooperation with State agricultural agencies shall be done in cooperation with the State agricultural extension service.

On page 21, beginning in line 7, strike out the following:

activities in connection with the improvement of marketing facilities, and the performance of marketing functions designed to aid or stimulate the commercial distribution of agricultural products authorized or conducted under section 32 of the Agricultural Adjustment Act.

On page 22, in line 23, after the word "agreements" and before the word "under" insert the following: "and make allotments of funds."

On page 22, line 24, insert a comma after the word "him" and the following: "except as provided above in this subsection."

On page 23, beginning on line 4, strike out the language beginning with "the services or functions" to the end of that sentence, and insert in lieu thereof:

the services or functions to be so provided or performed will be carried out more effectively, more rapidly, or at less cost to the Federal Government than if provided or performed by the Administration: *Provided*, That no allotment made under such contract or agreement and no payment under any such allotment shall be made for any fiscal year to any agency in excess of the amount which such agency makes available out of its own funds for such research. The funds which such agencies are required to make available in order to qualify for such an allotment shall be in addition to any funds now available to such agencies for marketing research. The allotments authorized to be made under this section shall be made by the Agricultural Marketing Administration to the agency or agencies best equipped and qualified to conduct the specific project to be undertaken. Such allotments shall be covered by cooperative agreements between the Agricultural Marketing Administration and the cooperating agency and shall include appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Should duplication or overlapping occur subsequent to approval of a cooperative research project or allotment of funds, the Agricultural Marketing Administration is authorized and directed to withhold unexpended balances on such projects notwithstanding the prior approval thereof. The Secretary of Agriculture shall include in his annual report to Congress a complete statement of such cooperative projects, showing the names of the cooperating agencies and the amounts expended thereon, segregated by Federal and non-Federal funds.

On page 24 strike out subsection (e).

On page 25, beginning in line 11, strike out the following words:

shall be transferred to the Administration each fiscal year from the funds appropriated under section 32 of Public Law Numbered 320, Seventy-fourth Congress, as amended—

and insert in lieu thereof—

is hereby authorized to be appropriated.

On page 25, wherever the numeral "2" appears, substitute the numeral "3".

On page 26, beginning in line 4, strike out the following: "notwithstanding any other provision of section 32,".

On page 26, line 10, strike out the word "transferred" and insert in lieu thereof the words "authorized to be appropriated".

On page 26, at the end of line 12, insert the following:

It shall be the duty of the State agricultural experiment stations to conduct research bearing directly on the marketing of agricultural products, and it shall be the duty of the State agricultural extension services to carry on an educa-

tional program with farm people on the marketing of agricultural products, and none of the funds expended under this title shall be expended through any State agencies for purposes, functions, or services which would duplicate those provided by the State agricultural extension services or the State agricultural experiment stations under existing State and Federal laws.

At the end of page 27 insert the following:

SEC. 209. The Administration shall not establish regional or State offices other than for inspection, regulatory, and service work, but shall carry on its work in regions and States through existing State and Federal agencies.

On page 28, line 23, after the comma insert the following: "one person to represent State agricultural extension services."

Mr. COOLEY. Mr. Randolph, I understand your position to be that if the extension service is now engaged in the field of research, then the Administrator or Secretary should not be authorized to enter that field in competition or duplication of that effort?

Mr. RANDOLPH. That is not exactly what I said..

Mr. COOLEY. Will you illustrate that?

Mr. RANDOLPH. In the first place, extension service does not engage in research work. I am speaking at the State level and not at the Federal level. The amendment I proposed had to do with the State agencies. What I meant was, or what the language said was, that the money would not be expended in such a way as to bring about duplication of the work of the experiment station in research and the work of extension service in educational work.

Mr. COOLEY. Suppose you have an experiment station in North Carolina that is engaged in some phase of research in tobacco or something like that, but they are not doing a good job, and the Secretary determines that it is not well to make any contribution to that effort, but select another agency that is more competent to do the job, why would that not be all right?

Mr. RANDOLPH. I think that under the language that I have suggested here, that if State experiment stations were not doing the work that you say they should be doing, that the Secretary would be authorized to get someone else to do it.

Mr. COOLEY. Is it really what you have in mind, or is it that you just do not want any duplications?

Mr. RANDOLPH. That is exactly what I have in mind. That is what the amendment says.

Mr. COOLEY. Or do you want to increase the contribution that the Federal Government is making to the extension service?

Mr. RANDOLPH. Well, I do not necessarily seek to increase the contribution being made to the extension service, because I do not think it will be necessary for the Secretary of Agriculture to allocate money to the extension service from this bill. The Congress just passed the Bankhead-Flannagan bill which increased funds to the extension service.

In the case of experiment stations, I do think they are far better qualified to do research work in agriculture than any other State agencies that I know of. I would like to see the research work done by the State experiment stations, and, of course, the educational work done by extension service.

The CHAIRMAN. Now, the language of the bill, Mr. Randolph, is, in the concluding paragraph of the declaration:

In effectuating the purposes of this item, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by the State agricultural experiment stations and of the facilities of the Federal and State extension services.

Is that not all right?

Mr. RANDOLPH. I do not think so. I think the language I have proposed is better.

Mr. COOLEY. Suppose you put your language in there and say that duplication shall be minimized, and so forth, and prevented by the person in charge?

Mr. RANDOLPH. I think that is substantially what my language says.

Mr. COOLEY. I would not object to an amendment going in this bill saying that the Secretary shall make every effort to avoid duplication, but I do not want to tie him down to the activities of some other agencies.

The CHAIRMAN. Let me read this:

It shall be the duty of the State agricultural experiment station to conduct research bearing directly on marketing of agricultural products and it shall be the duty of the State agricultural extension service to carry on an educational program of farm people on the marketing of agricultural products and none of the funds expended under this title shall be expended through any State agencies for purposes, functions, or services which would duplicate those provided by the State agricultural extension services or the State agricultural experiment stations under the existing State or Federal law.

Mr. RANDOLPH. If the duplicated work—

The CHAIRMAN (interposing). It goes further than that. If an experiment station were not in position to render the service that the Secretary thought was necessary in order to solve some of these research problems, he would be hog-tied and he could not operate through any other agency.

Mr. RANDOLPH. I think that is not right.

The CHAIRMAN. I would like to know what it means.

It shall be the duty of the State agricultural experiment stations to conduct—and so forth

Mr. RANDOLPH. That does not mean that nobody else could do any of it. If, in the case you mentioned, the State experiment station would not do this work, certainly it would not cause any duplication for someone else to do it. If they would do it, and someone else was authorized to do it, there would be duplication.

Mr. HOPE. Mr. Chairman.

The CHAIRMAN. Mr. Hope.

Mr. HOPE. Let me ask you if you think that under the existing set-up of the experiment stations, that they are thoroughly qualified in every State to carry on all of the work that is authorized under this bill?

Mr. RANDOLPH. I think if they had the money, they could. But, I do hope the committee will get the point that the language I have suggested is not as restrictive as some of the members have apparently interpreted it. If you had a State where the State experiment station would not do the work, then it would certainly cause no duplication for somebody else to do it. The language seeks to prevent duplication.

Mr. HOPE. Do you think, though, that they are equipped and fitted and authorized to do all the work that is set up under this bill?

Mr. RANDOLPH. Well, the research work, Mr. Hope; yes, sir. Of course, there is a lot of other work under this bill that they are not fitted to do. Regulatory work should be done by other agencies.

Mr. HOPE. Therefore, what you really want to see done, if I get you right, is to have them do all the work. You say they are capable of doing it. If I understand your position correctly, they would do all of it under this bill, is that right?

Mr. RANDOLPH. That is the purpose of the language there which says it shall be their duty to do the research work and educational work. I think that is already in existing law and there are various acts having to do with research and extension work. A present repetition of it by Congress here, I think, would be strengthening.

Mr. HOPE. Suppose you were Secretary of Agriculture and we did not put your amendments in; we just used the bill as we have it in its present form; what would you do, would you give it all to the experiment stations or would you look around and see if there were other agencies that might do the job better?

Mr. RANDOLPH. I cannot imagine myself being the Secretary of Agriculture, in the first place. I think I would handle it as this amendment read, which is in such way as to prevent duplication in research. My own personal opinion is that the research should be done by the experiment stations in the States, and that the education work should be done by the extension service.

Mr. HOPE. The reason you are offering these amendments is to make sure it is done that way?

Mr. RANDOLPH. That is quite true, but they are not quite as restrictive as some of the members have interpreted them.

Mr. HOPE. Well, in other words, if you adopt this amendment which says it is the duty, would it not be your contention that if any other agency did it, there would be duplication?

Mr. RANDOLPH. I do not think there is such a situation. That is not quite the case. If they did not do the work and were not doing it, and some other agency did it, there would not be duplication.

Mr. ZIMMERMAN. What other agency are you talking about?

Mr. RANDOLPH. For example, the State bureau of markets. I did not have any particular agency in mind.

Mr. COOLEY. Your position is that the extension service should do the educational work?

Mr. RANDOLPH. Quite true.

Mr. COOLEY. And experiment station do the research work?

Mr. RANDOLPH. That is right.

Mr. COOLEY. That would be all right if you did not restrict it so much, as I think your amendment does. We have an experiment station in North Carolina. Suppose it develops that they are not doing the job we want done, but there is some other private agency, say, Duke University or some other place, where the Secretary figured they could do a better job, I would not want them to restrict it.

Mr. RANDOLPH. This says "State agency," Mr. Cooley. It would not apply to private agencies, I do not believe, at all.

The CHAIRMAN. Mr. Cooley, will you yield?

Mr. COOLEY. Yes.

The CHAIRMAN. You are talking about research work. You do not mean that all research work is done in the laboratory. Research has a broader meaning than that. If I understand the bill, it may be studies of and investigations of present marketing facilities and conditions, statistical work, and so forth. It covers a pretty wide field.

Mr. COOLEY. Might even go to foreign countries.

The CHAIRMAN. It may involve that.

Mr. RANDOLPH. Of course, if any studies are made in foreign countries, I think they would be made by the Federal end.

Mr. COOLEY. Your language is that it shall be made by State experiment stations. I am wondering what control we have over the State experiment stations.

Mr. RANDOLPH. This particular amendment we are discussing has to do with the work within the States. In Mr. O'Neal's statement, he did not comment at all on the Federal set-up.

Mr. POAGE. Mr. Randolph, I want to thank you for your statement, because I think you have made an excellent statement. I think there is duplication at the present time. I think there is going to be duplication regardless of what we write in this bill. I think we could put your amendment in this bill and still have duplication. It seems to me we might as well recognize that whenever you do things on the size that the Department of Agriculture does things, you are going to have duplication and we should make every effort to minimize it. I do not think your amendment could stop duplication, but I think it is a step in the right direction to try to stop it.

Mr. RANDOLPH. It certainly would help.

Mr. POAGE. I do not think this bill can be passed in any form that will prevent duplication, and I do not mean by that that I am against it, because I think it is a good thing to have research, but to fool ourselves into thinking that we can change the practices that have gone on in this Department under this administration and every administration, there never has been one that has not been overlapped, and I do not think there ever will be one where there is not a great deal of overlapping. You have got to set up an agency to carry on research.

The research merges into the question of the operational fields. There is no sharp, clear-cut line drawn between these things. There is bound to be an overlapping in them, is there not?

Mr. RANDOLPH. I think you are correct; yes, sir.

I think, as you apparently agree, that we should do everything we can to prevent that.

Mr. POAGE. I agree that we ought to try to bring it down to as little duplication as possible. It seems to me we are fooling ourselves when we try to assume we do not have duplication. The point I am trying to make is that there is no use of fooling ourselves in saying that we are producing something which mortal man has never produced, and we are going to change the whole system of operating the Government agencies. We are not going to do it in this field.

The thing I want to comment on primarily in your discussion is the thing which has been overlooked, and that is the question of this money. I think you have touched on a most vital point when you have suggested that we are destroying something of great value to our farmers when we further break down the section 32 funds. To my mind those section 32 funds are the most valuable insurance that our

farmers have today against the effects of the efforts made to help industry. Those section 32 funds are there to counterbalance the efforts that the Government has made in behalf of industry that hurt agriculture. They are taking away from the very funds that were accumulated at the expense of agriculture. Even Alexander Hamilton recognized that the moment you lay a tariff against the importation of industrial goods, you have at that moment imposed a burden on the production of agricultural goods; and recognized also, that when you made that tariff that, if you would be fair, you would use that money to provide a bounty for the farmer whom you had hurt. This country has been hurting the farmer for a great many years.

We have gotten our foot a little way in the door there to carry out just a little of that recompense that Alexander Hamilton recognized that the farmer was entitled to. Now, should we give that away, no matter how laudable purpose for which it was to be expended, would we have not lost that fundamental recognition of the right of our farmers, and does this bill not, to that extent, wipe out that recognition that our farmers are entitled to the same consideration that industry is entitled to?

Mr. RANDOLPH. It is my opinion that section 32 is not for the same purpose as title II of this act.

Mr. POAGE. I think you are exactly right. I think title II can be justified to stand on its own feet. I think it has merit in the investigations and research, but if there is merit in it, let us let it stand on its own feet and not make the farmer pay the bill out of trust funds that have been put up there to try to equalize his unhappy position.

Mr. RANDOLPH. I think also, as was stated, that the fund under title I will be needed for that part of the bill and separate appropriations should be written in for title II. I think it is a splendid purpose set forth in title II, and Congress should appropriate money for carrying out that title II.

Mr. POAGE. It seems to me that those of us who want to see it stand on its own feet have more confidence in the desirability of research than to try to take some special trust fund for it, because they would not have to go to Congress. I have got confidence that this thing is worthy, I have got confidence that Congress will pay for a worthy enterprise, I have got confidence that this thing should be financed like any Government worthy enterprise.

The CHAIRMAN. If there are no further questions, we thank you for your appearance.

Mr. RANDOLPH. Thank you.

The CHAIRMAN. Have you any other witnesses?

Mr. RANDOLPH. I do not have another witness. There is another man here from Alabama, Mr. P. O. Davis.

The CHAIRMAN. Mr. Davis, I would like to conclude the hearings this morning if possible, and for that reason I would like for you to make your statement as short as possible.

Mr. DAVIS. I will be delighted to prepare the statement in writing and submit it a few days later for the record, if you would prefer that.

The CHAIRMAN. I think the committee would rather hear from you.

STATEMENT OF P. O. DAVIS, DIRECTOR, EXTENSION SERVICE OF
THE ALABAMA POLYTECHNIC INSTITUTE

MR. DAVIS. I will abridge the statement I have, Mr. Chairman. I am P. O. Davis, director of the extension service of the Alabama Polytechnic Institute. I would like to state that I work very closely, of course, with the experiment station people and also with our State department of agriculture and industries, as we call it in Alabama.

I am heartily in accord with the objectives of this bill: The proposed needed service to farmers and consumers of farm products, in addition to services now being rendered. Stated briefly, the section of this bill seeks to do for marketing and distribution of farm products what is being done in production and in part in marketing of farm products.

At the outset, I would like for you to recognize the fact that land-grant colleges of the 48 States are primarily set up to make two blades of grass grow where one grew before. In a substantial way, the same is true of the United States Department of Agriculture which was created the same year, and by the same Congress as the land-grant colleges. They are companion institutions. In recent years, they have placed more emphasis upon reducing the cost of production and improving the quality of the product, and they have turned also to marketing and to distribution.

I find, in studying, Mr. Chairman and gentlemen, the record on marketing and related subjects that during the year 1945 the extension services of the States, with the cooperation of the United States Department of Agriculture in the field of marketing, devoted themselves primarily to the following:

First, changes in ceiling prices, exports and subsidies, and set-aside and marketing control orders;

Second, cost of distribution and spreads between prices received by farmers and those paid by consumers;

Third, need for eliminating unnecessary duplication in handling and in the performance of marketing functions;

Fourth, the necessity of providing new and improving present marketing facilities;

Fifth, changes that are taking place in market outlets and consumer demand for farm products;

Sixth, production of the quantity, quality, and variety of products in keeping with specific market demand, and the necessity for standardizing, grading, and packing to promote the greatest efficiency in marketing.

Those are major objectives they have worked on.

I will say hurriedly, Mr. Chairman, that these institutions are scientific institutions. Their primary functions are research and education, research, of course, being education. Their effectiveness is revealed by the fact that the average American farmer today is three times as productive as his grandfather was two generations ago when the work of these institutions was just beginning.

In 1937, Mr. Henry A. Wallace, while then Secretary of Agriculture, reminded us that the average farmer had increased his efficiency as

herein stated, and he reminded us also that during the war in 1945, that we were making about 30 percent more farm products than we were making before the war with 5,000,000 people on the farm. I mention those as examples of progress in production.

In the field of marketing, I would like to state just briefly some of the things that we have done in Alabama. It may be an example to you. I hope so, at least.

Marketing is part of our production program in Alabama. Our legislature of 3 years ago made a special appropriation of \$75,000 a year to the extension service that I represent to engage in marketing along with our production program. Now, we employed specialists and we did a number of explicit jobs in marketing for the benefit of the farmers. For example, in the year 1944, and I do not have the figures for 1945, these specialists participated in marketing meetings totaling 953, with 34,000 farmers present, and we conducted 328 educational demonstrations, wrote many, many letters and did other things to spread information about better marketing of farm products.

We also set up six cooperative marketing associations to handle different kinds of farm products. We directed the construction of buildings and other marketing facilities at a number of points in the State, and we gave explicit direction as to the grading and selling of farm products at these markets. Then, at the same time, we gave specific assistance in grading, packing, and selling 600,000 bushels of sweetpotatoes in a few of the counties producing those potatoes and that work, of course, resulted in better products being offered and at higher prices to the consumers. Then we arranged and assisted in conducting auction markets at which farmers sold their pecans. We began developing markets for eggs, including grading and processing of eggs. Then, at the same time, we did a great deal of work on the marketing of milk, including better production of it.

At 12 different points we set up livestock auctions. Then we supplied market information and rendered services on the selling of hogs and other different farm products.

The CHAIRMAN. Mr. Davis, your State marketing set-up did not do anything down in Alabama?

Mr. DAVIS. Let me get to that. I am running hurriedly through that, because I did not want to take too much of your time.

The CHAIRMAN. As a matter of fact, did the State marketing division not engage in most of the activities that you have enumerated?

Mr. DAVIS. They cooperated in it, but we were held responsible for most of those activities by our legislature and the State Department cooperated with us in handling the regulatory work, for example, the grading and inspection to see that those products as offered were up to the standard as announced or claimed by the sellers.

They worked on the regulatory part and we worked on the educational part. Our State department of agriculture is not expected to do research work. Legally, it is not so constituted. On the other hand, our experimental station is not expected to do regulatory work. The extension service is operated as a scientific educational agency, making full use of research facts and doing all of its work in close cooperation with our State department of agriculture and industry.

I submit, therefore, that the land-grant colleges are the proper institutions to do the research and the educational work in marketing

as in production. This statement is based upon our standing record of accomplishment dating back more than three-fourths of a century, during which the land-grant colleges and the United States Department of Agriculture have worked very closely together on research and education. But there is, as Mr. Randolph has said to you, considerable duplication, even competition, in the field of agriculture, which I do not think is quite like it should be done.

The CHAIRMAN. Mr. Davis, as drawn on page 6, it reads:

In effectuating the purposes of this title, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by the State agricultural experiment stations and of the facilities of the Federal and State extension services.

Now, it is the declared policy here that the Secretary shall make use of those two facilities. Are you in favor of going further and hog-tying the Secretary and not giving him any latitude?

Mr. DAVIS. Mr. Chairman, I think the records will show now that in other lines of work there is duplication and there is competition.

The CHAIRMAN. I want an answer to that. Do you want to hog-tie the Secretary?

Mr. DAVIS. No, sir; I do not want to hog-tie anybody. I just want to be sure that our lines of work are clear and that there is not competition in the field of agriculture.

The CHAIRMAN. We expressly provide in the bill as drawn that the Secretary shall use to the maximum extent those two State facilities. Do you think we should go further and, as I say, just hog-tie him?

Mr. DAVIS. I certainly do not. I would not hog-tie anybody, but I would be sure that the language is such that we do not have two types of programs rendering the same service for the same people.

The CHAIRMAN. You say you would not hog-tie anybody. While you would not come right out publicly and use that phrase, you would accomplish it by the use of a little more elegant English, is that right?

Mr. DAVIS. That seems about right, Mr. Chairman. Let me go back and say this: As a man who works almost entirely on the State level, and through that on the county level, I do not think that the Federal Government should be competing with itself and duplicating its own effort.

The CHAIRMAN. That is what we are trying to provide against, duplication, and we say to the Secretary now, as far as possible, "To the maximum extent, use these agencies that have already been set up," and we specifically name them. Do you not think that is about as far as this Congress would be justified in going?

Mr. DAVIS. Well, if the language specifically spells it out so it cannot be interpreted otherwise, that would be sufficient. The question comes down to the matter of interpretation of the language. I heard Mr. Randolph's statement. It seems to me he had good language on it.

Let me add that I am not asking for more money for extension work. the main point I am concerned in is the point you have mentioned.

The CHAIRMAN. Duplication?

Mr. DAVIS. That is right.

Mr. ZIMMERMAN. You say you are engaged in extension work in Alabama?

Mr. DAVIS. Yes, sir.

Mr. ZIMMERMAN. Who pays your salary?

Mr. DAVIS. It is paid by the State of Alabama and the Federal Government.

Mr. ZIMMERMAN. And the Federal Government?

Mr. DAVIS. Yes, sir.

Mr. ZIMMERMAN. You work under the direction of the extension department here in Washington under the Department of Agriculture?

Mr. DAVIS. In the Federal set-up on that this money goes to the States, as a grant-in-aid, to the land-grant institutions. Of course, there is an extension service here in Washington that audits our books and approves our projects.

Mr. ZIMMERMAN. They have something to do with the programs, do they not?

Mr. DAVIS. Yes, sir.

Mr. ZIMMERMAN. You do not mean you have 48 independent programs?

Mr. DAVIS. No, sir. It is all coordinated at the State level. There is some difference. Of course, each State has its own different problems. There is supervision by the United States Department of Agriculture, but the work is all coordinated at the State level, and, of course at the county level too. That is the main point under discussion here, as I understand it.

Mr. ZIMMERMAN. Of course, the program depends upon the amount of money that the State legislature will put up.

Mr. DAVIS. With the help of the Federal Government.

Mr. ZIMMERMAN. Why not get rid of the Federal Government and let the States do it themselves? Would that not suit you better?

Mr. DAVIS. We believe in cooperation.

Mr. ZIMMERMAN. People have been talking about too much government.

Mr. DAVIS. We do not have that in the Extension Service.

Mr. ZIMMERMAN. In the Extension Service?

Mr. DAVIS. No, sir. I am not attacking anybody. I am just saying I do not want duplication and overlapping and confusion and competition.

Mr. ZIMMERMAN. I have heard of some people wanting to take over the administration of the whole agricultural program and take it out of the hands of the Secretary of Agriculture. Have you heard anything about that?

Mr. DAVIS. I have heard it mentioned, but I have not heard any extension men proposing it.

Mr. ZIMMERMAN. There are people in our country who have been advocating that thing, taking it out of the Department of Agriculture. I do not know what they want to do with the Department of Agriculture. We have got people who want to do that thing. What is wrong with what Mr. Flannagan has suggested here?

Mr. DAVIS. I have not studied this language in detail. I have simply given you my views about it.

Mr. ZIMMERMAN. Who is going to head up this program, the marketing?

Mr. DAVIS. It would be an Administrator under the Secretary of Agriculture.

Mr. ZIMMERMAN. Is he going to work under you boys down there, or are you boys going to work under him?

Mr. DAVIS. I think I might give you a little more information on it by using the Tennessee Valley Authority as an example.

Mr. ZIMMERMAN. Let us not get into that. That is too involved.

Mr. DAVIS. It is merely this: They work through us and not in competition and not overlapping with us. That is the essence of it. They do not have two programs. They have one and use one. There is only one program and we are all working together on it. That is what I am talking about here.

Mr. ZIMMERMAN. That is down in the State of Alabama?

Mr. DAVIS. In other States, too. There are seven States involved.

Mr. ZIMMERMAN. In the Tennessee Valley Authority?

Mr. DAVIS. It has part of seven States.

Mr. ZIMMERMAN. I did not know it was that large.

The CHAIRMAN. We thank you.

Mr. DAVIS. Thank you, gentlemen. I want to say I abridged this a lot to save you time. I appreciate you giving me this time.

The CHAIRMAN. We are happy to have your views on it.

Mr. DAVIS. Thank you.

The CHAIRMAN. We have Mr. Bailey present, of the National Grange.

STATEMENT OF FRED BAILEY, LEGISLATIVE REPRESENTATIVE OF THE NATIONAL GRANGE

Mr. BAILEY. My name is Fred Bailey, legislative representative of the National Grange.

Mr. Chairman, Mr. Goss has already appeared before this committee in support of both the Flannagan and the Hope bill before they were consolidated as title I and title II. I will not take up the committee's time in repetition of why we support this measure. We have read the committee print as it now appears, and are completely in sympathy with this approach to it. We would like to see this bill passed as it is now and become a law. We have no reservations or no amendments.

The CHAIRMAN. Any questions?

Mr. COOLEY. Why should you come in here and say, "We do not want to amend it or consider amending it"?

Mr. BAILEY. We did not say you should not consider amendments. What I meant to say is we have no amendments.

Mr. COOLEY. You mean you do not offer any amendments?

Mr. BAILEY. We offer no amendments.

The CHAIRMAN. We thank you, Mr. Bailey.

Mr. John Davis, will you come around?

STATEMENT OF JOHN H. DAVIS, EXECUTIVE SECRETARY, NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. DAVIS. I am John H. Davis, executive secretary of the National Council of Farmer Cooperatives.

Last week I explained to you that we were in favor of both the so-called Hope bill and the Flannagan bill, and we expressed the desire to see an effort made to put those two bills together. We have re-

viewed carefully the combined bill as in committee print now. Yesterday we reviewed it in our marketing and distribution committee.

We support the bill in its present form. We also considered some recommendations that were made by the Department of Agriculture which I understand are under consideration and we look with favor on those too. Our position is that we support the bill.

I would like, in addition to my own statement here, ask Mr. F. R. Wilcox, assistant general manager of the California Fruit Growers Exchange, also representative of the State Council of California and chairman of our marketing and distribution committee, to say a word on the bill.

The CHAIRMAN. We would be glad to hear from Mr. Wilcox; he has been of great assistance to the marketing committee. He probably knows as much about marketing as any man in this country. Come around, Mr. Wilcox.

STATEMENT OF F. R. WILCOX, ASSISTANT GENERAL MANAGER OF THE CALIFORNIA FRUIT GROWERS EXCHANGE

Mr. WILCOX. My name is F. R. Wilcox. John has stated who I am. I think that need not be repeated.

This committee, which Mr. Davis has spoken of, thoroughly considered the bill and was representative of, I think, most of the agricultural industries and most of the areas throughout the country. We support the bill because I think farm people realize more now than ever before that their job is not done when the commodities are produced. There is a very vital interest in the marketing of farm products, changing of systems, particularly is that true because I think farm people realize now that for the last several years we have been in a situation that is an unusual demand. The war has made an unusual demand for agricultural commodities just as it has made for commercial commodities.

We feel that we are coming into a period when it will be necessary to increase the efficiency of distribution, to increase, to change and modify many of the methods of distribution in order to benefit both consumers and producers. For those reasons, we feel that research done by public agencies, supported by private agencies, wherever that is possible, should be carried on, and we want to support increased work in the field of agricultural marketing.

The CHAIRMAN. Mr. Wilcox, let me ask you this question: Do you not think that the Hope bill, which is now title II in the committee print, is the best approach to the solution of our farm marketing problem that has yet been advanced?

Mr. WILCOX. Yes, I think it is, for the reason that it combines all of the marketing services under one administration and separates it from what you might call the operating parts of the Department of Agriculture which involves purchasing, credits and such matters of that kind.

This sets out, under one administration, all of those activities which directly relate to marketing activities, including research and including those things having to do with grading and inspection and matters of that kind. I think it is very definitely the proper approach to the problem.

The CHAIRMAN. Any questions?

If not, we thank you.

Mr. WILCOX. I am glad to be here.

The CHAIRMAN. I see Mr. Thatcher back there. Mr. Thatcher, do you desire to appear?

Mr. HATCH. I think not.

The CHAIRMAN. Do we have any other witnesses that desire to make a statement?

Mr. HOEVEN. I sent for a telegram that I received from Iowa State College, and I would like to insert that in the record at this point.

(The telegram referred to is as follows:)

AMES, IOWA, June 25, 1946.

HON. CHARLES B. HOEVEN,

House of Representatives, Washington, D. C.:

Have just learned of proposal to amend H. R. 6548, with H. R. 6692. We recognize the importance of research and program of improvement in the marketing of agricultural products. We are doing considerable research extension and teaching in this area. However, we have definite convictions that it is neither logical nor desirable to attach the Hope bill to H. R. 6548 as an amendment. H. R. 6692 is too important and too involved to be presented as an amendment. We urge that each bill be considered separately and in its own merits.

IOWA STATE COLLEGE,

H. H. KILDEE,

Dean of Agriculture.

Mr. GILLIE. Mr. Chairman, I have a letter from the director of the agricultural experiment station from Purdue University. I would like to have that inserted.

(The letter referred to is as follows:)

PURDUE UNIVERSITY,

Lafayette, Ind., June 24, 1946.

The Honorable GEORGE W. GILLIE,

House Office Building, Washington, D. C.

MY DEAR MR. GILLIE: I am advised that the Flannagan bill, H. R. 6548, and the Hope bill, H. R. 6692, have been combined by the House Committee on Agriculture.

I can see how this could easily result in another agency of the United States Department of Agriculture duplicating both research and extension in each State and in each county. I understand that it would be primarily a marketing activity, but I wish to call your attention to the fact that marketing is a broad and vague subject.

I was informed that one of the State commissioners of agriculture testifying before the House committee made the statement that "the State experiment stations haven't done research in marketing and they won't." I wish to report for your information that the following bulletins published by this experiment station are merely an example of what experiment stations are doing for sound marketing procedure:

Bulletin
No.

Title

- 364. Variation in Local Marketing Procedure for Grain, Hay, Livestock, and Feed in Northwestern Indiana.
- 365. Changes in Farming in Lake and Porter Counties, Indiana, as a Result of Nearness to Industrial Cities.
- 387. Prices of Farm Products in Northwestern Indiana.
- 441. An Economic Study of the Broiler Industry in Western Indiana.
- 443. The Use of Farm Trucks in Marketing Farm Products in Central Indiana.
- 446. Transportation of Farm Products in Central Indiana by Commercial Truckers.
- 463. An Economic Analysis of Fluid Milk Markets in Indiana.
- 469. Seasonal Variation of Indiana Farm Prices.

*Bulletin
No.**Title*

476. A Century of Indiana Farm Prices.
 484. Seasonal Price Variation and Economy of Feeds in Indiana.
 487. Hog Prices in Indiana.
 439. Precooling Tests of Indiana Strawberries, Cantaloupes, and Peaches.
 318. Death and Crippled Losses in Shipping Hogs to Market.
 337. Motor Transportation of Hogs to Indianapolis Market.
 358. Factors Affecting Shrinkage in Shipping Hogs by Rail.
 290. Cooling Cream on the Farm for Butter Making.
 374. Cooling Cream at the Buying Station and Keeping It Cool While in Transit to the Creamery.
 382. A Preliminary Study of Indiana Dairying From the Standpoint of Marketing.
 383. Effect of the Time Element in Marketing Cream for Buttermaking on Quality.
 405. Milk Quality Improvement Effected at the Farm by a Plant Program.
 479. Indiana Milk Supply for Different Market Outlets.
 335. Marketing Indiana Timber.
 395. Marketing Cross Ties and Piling in Southern Indiana.
 408. Marketing Timber for Basket Stock in Indiana.
 424. Marketing Timber for Handle Stock in Indiana.
 477. Marketing Timber in the North Central Areas in Indiana.
 408. Marketing Indiana Onions.

*Circular
No.*

193. Cream Grading on the Four-Day Delivery Plan in Indiana.

EXTENSION BULLETINS

*Title**Bulletin
No.*

183. Principles of Cooperative Marketing as Applied to Poultry and Eggs.
 280. How to Measure Logs.
 89. More and Better Potatoes.
 274. Purdue Poultry Pointers.
 172. Marketing Eggs and Poultry in Indiana.

Marketing education begins when the crop is planted. Mr. Flannagan well knows that there is a lot of difference in selling Ben Davis apples and Delicious apples. You are all well aware of the fact that the care and management, the spraying, and the grading of apples play a tremendous part in the sale of the crop.

Marketing is a popular subject of conversation. Most people have not thought through the problems involved. There is much loose talk about it and not enough intelligent analysis.

Some people think of distribution problems when they speak of marketing. Some people rant about marketing when they mean advertising. Some think of case histories as the answer to marketing, and others run a "for sale and exchange" column and call it marketing.

Research is basic to the solution of marketing problems, and sound, impartial, cold-blooded research requires trained men in many fields, sound technique, organization, and experienced direction. For example, our studies on the marketing of strawberries, cantaloups, and peaches for maximum returns not only involved the production of a uniform variety, the grading, packaging, and so forth, but they also involved tests on precooling, in which the temperatures and distance to markets had to be followed through by trained engineers.

Many other phases of research have been a part of this over-all program. It is my feeling that the research and education in agricultural problems, including marketing, should be confined to the agricultural experiment stations and the Extension Service, which is a Federal, State, and local cooperative program. We have too much duplication of effort at the present time. It wastes money, does not get results, and confuses the farmer.

I trust that this may have your serious consideration.

Very truly yours,

H. J. REED,
 Dean and Director.

Mr. JOHNSON. I would like to make the same request.

The CHAIRMAN. If there is no objection, it may be inserted.

(The telegram referred to is as follows:)

CHAMPAIGN, ILL., June 24, 1946.

Representative ANTON J. JOHNSON,

House Office Building, Washington, D. C.:

Re proposed amendment to H. R. 6548, which would allocate funds to State departments of agriculture and bureau of markets for marketing research. Such arrangement would disrupt irreparably marketing research under way in experiment station. It could lead only to confusion and expensive duplication effort and equipment. Would be set back to very thing authors of bill hope to promote.

Clear division of function between State departments of agriculture (regulatory) and agriculture experiment stations (research) such as exists in Illinois has merit that would seem to need no argument.

Research and marketing of agriculture products has been in progress many years in Illinois and other stations. This work has furnished the basis for highly important, extension programs with farm people and has been a help to basic agricultural industries. What stations need is more adequate funds with which to develop this line of research. They can furnish the needed breadth of approach as well as an atmosphere congenial to the development of marketing research and the advantage of close contact and consultation with technically trained men in related fields. Advantages not to be found elsewhere.

If additional information would be helpful in reaching decision regarding this amendment, we shall be glad to furnish it.

W. E. CARROLL,
(Acting for the Dean).

The CHAIRMAN. A day or two ago I mentioned that we desired to have witnesses appear before the committee with respect to the necessity of more research in our tobacco problems, and with the consent of the committee I would like to insert at that point in the record, where we took up the different agricultural products, a statement that I have from Mr. Fred S. Royster, of Henderson, N. C., president of the Bright Belt Warehouse Association, and also permission to insert at the same point a statement from Dr. Gross, of Duke University; Mr. D. Y. Floyd, of Raleigh, N. C.; and Mr. Hedrick, of Raleigh.

With no objection, they will be inserted at the appropriate place in the record.

(The statements referred to are as follows:)

Mr. Chairman and gentlemen, my name is F. S. Royster. I am from Henderson, N. C., and am president of the Bright Belt Warehouse Association, Inc., which has in its membership all of the auction warehouses operating in the Bright Flue-cured Belt, which comprises approximately 350 warehouses located in 79 cities and towns of the 5 States of Virginia, North Carolina, South Carolina, Georgia, and Florida, which grow flue-cured tobacco in the United States.

The warehouseman occupies the position as agent for the producer or seller in the auction marketing of tobacco. He is paid a commission on the amount of money which the tobacco brings the producer for his services and facilities. Therefore, it is quite natural that as the representative of the warehouseman, I am vitally concerned with legislation or other matters which affect the producers of Bright flue-cured tobacco.

As I understand the bill before the committee, H. R. 6548, provides for further research in agricultural commodities. While I lay no claim to any great knowledge of agronomy or research from personal knowledge and practical experience, I can appreciate, to some extent at least, the value and necessity of adequate research for flue-cured tobacco. I live in the section where one of the most dreaded of all tobacco diseases, the Granville wilt, first became prevalent. It took approximately 40 years of research before a variety of tobacco was found which appears to be resistant to this disease and at the same time

possesses satisfactory qualities for the manufacturer of cigarettes and other tobacco products. This discovery is of untold value to the producers.

Another outstanding achievement of research, in recent years, has been the breeding of new strains of flue-cured tobacco which yield more pounds per acre and a better quality of tobacco.

While I recognize the attainment by research of these desirable results, it is likewise, I think, well to point out that there remains much to be done in the field of research. There are several known diseases at the present time which cost the producers large amounts which research has not yet discovered a cure for. The outstanding diseases which I refer to are black shank, knotroot, and blue mold.

In addition to the need for continued research on these diseases, there is, of course, the ever-present possibility of new diseases becoming prevalent.

There is also, I think, a great need for more research in curing methods, burning qualities, and other factors, in order that United States flue-cured tobacco shall continue to be of the best quality possible. This is necessary if we are to maintain and expand our markets, both domestic and foreign.

In the remainder of my remarks I desire to express my views on H. R. 6692, which I understand is a bill having as its purpose the investigation and creation of new markets, both domestic and foreign, for agricultural products. I need not remind you gentlemen that tobacco is a very important crop to the Federal Government, since the products made therefrom yield approximately \$1,000,000,000 annually in revenue to the Federal Government.

The domestic manufacturers of cigarettes and other tobacco products have done a splendid job in expanding the sale of these products in the United States. I believe there is still room for further expansion and that it is the duty of the Federal Government to render any aid possible in this direction. I feel this is a logical position when it is a fact that the Federal Government receives approximately 50 percent of the retail price of cigarettes, or as much as the producer, manufacturer, wholesaler, and retailer combined.

For a number of years approximately 50 percent of the flue-cured crop of tobacco has been exported, and it is in this field of marketing that the future of the product, to a large extent, depends. There is a mistaken idea that, to a large extent, export markets purchase mostly the inferior grades of flue-cured tobacco, which are not suitable for the products manufactured in this country. While there is a sizable export market for these grades, there is also a large export market, principally in Great Britain, for tobacco of the best quality, and it is upon this market that the grower has depended, in a large measure, for satisfactory prices for the better grades.

During recent years the production of flue-cured tobacco has increased tremendously, having risen from 781,000,000 pounds in 1943 to 1,161,000,000 pounds in 1945 and an estimated production of at least this amount in 1946. It appears that around 600,000,000 pounds will be used by manufacturers in this country during this year. Therefore, it is readily apparent that we must maintain our present export markets and expand them if the growers are to continue to receive prices which will return cost of production plus a reasonable profit.

During the recent war American-made cigarettes were sent to practically all parts of the world. I am informed that they were in great demand in foreign countries, often becoming one of the most valuable mediums of exchange. It appears to me that the manufacturers in this country, with the aid of the Federal Government, should take advantage of this condition and thereby greatly increase the world consumption of tobacco.

In conclusion, Mr. Chairman and gentlemen, I would like to urge an adequate research program for flue-cured tobacco, and I would also like to strongly recommend that all possible action be taken to increase markets for this important crop both at home and abroad. I think the two propositions are closely related. We need research in order to produce a superior product to surpass that produced in the other countries of the world. But I hold to the view that a product will not sell itself, even though it be a superior one, and therefore there is a great need for every effort possible to be made by the industry and Government in the promotion of marketing.

Mr. Chairman and gentlemen, I appreciate the opportunity of expressing my views on these matters; and if there are any questions from any member of the committee, I shall be glad to attempt to answer them.

STATEMENT REGARDING A BILL TO PROVIDE FOR FURTHER RESEARCH INTO BASIC PRINCIPLES RELATING TO AGRICULTURE AND TO IMPROVE AND FACILITATE THE MARKETING AND DISTRIBUTION OF AGRICULTURAL PRODUCTS

(By Paul Gross, professor of chemistry, Duke University)

There can be no question of the need to stimulate and subsidize basic research in agriculture and marketing as outlined in section (1) of this bill. The need for this is imperative and immediate. In the postwar situation our agricultural exports will face a period of intense competition from production abroad with the very low foreign labor costs. If this production becomes established it will mean the loss of much of our export market for agricultural products.

To meet this situation our agricultural economy must do two things: First, it must continually increase the quality of its products; and second, it must produce them at less cost. These conflicting objectives can only be attained through intensive and continuing research in both agricultural production and in marketing in its broadest sense. It is, furthermore, true that the most critical period in this situation lies in the years immediately ahead. Effective and productive research is needed now. In view of this, and because of the serious loss of ground in agricultural research during the war, it would seem better in appropriating funds to make them more largely available in the early years of the expenditure schedule outlined in the bill (sec. (9) a 1-6). Thus an expenditure of some \$50,000,000 is contemplated for the 5-year period 1946-51. In view of the greater initial cost of any research program in proportion to its productivity in its inception stages and of the urgency of the situation, noted above, a better schedule would seem to be an equal yearly expenditure of about \$10,000,000 for the first 5 years.

This expenditure level would be a much more realistic one in terms of the scope of the program and the extent of the need. Thus a large technical business will commonly spend from 1 to 3 percent of its gross sales on its research program. To illustrate the bearing of this on the expenditure level needed in agricultural research we may consider tobacco production in a single State, North Carolina. In 1945 the tobacco crop brought a gross return to its producers alone (not to consider the return to warehousemen, processors, and allied interests dependent on the crop) of about \$375,000,000. Tobacco production is a highly technical business in which the expenditure of say slightly over one-fourth of 1 percent for research on crop production and improvement, to say nothing of disease control, would certainly have been warranted. This percentage would have called for a research expenditure of \$1,000,000 as a matter purely of good business. Instead the expenditure from all governmental agencies was well below \$100,000 and probably less than \$50,000—a scale at least one-twentieth of what it should have been.

This is typical of the situation generally in tobacco research in this country. By contrast, it is of interest to note the situation abroad. As far back as 1937 Germany, to serve a mere token production of several million pounds of cigar tobacco along the Rhine Valley, had a research institute with 5 or 6 laboratory buildings and a staff of about 20 competent investigators. Low and high nicotine content strains of tobacco were being successfully developed. Nowhere in the United States, with its over 1,000,000,000-pound production, is there even today a similar concentration of effort on tobacco research.

The nearest approach to this is the Oxford Tobacco Experiment Station at Oxford, N. C., which has done excellent work with limited help and facilities, but this needs buildings, money, and good men badly if it is to help meet the need for tobacco research. In the interwar period from 1920 to 1939, Russia had at Krasnodar in the Ukraine a still larger research institute to study its limited production of Turkish-type tobaccos.

India raises some 900,000,000 pounds of tobacco annually—a production almost equal to our own. At present very little of this is flue-cured tobacco, most of it being a low-grade type for native consumption. However, as far as soil types, climatic regions, and extreme low labor costs go, there seems no reason why, with proper technical supervision, India could not raise a substantial crop of flue-cured tobacco. It is our understanding that within the next 2 years a program of technical research aggregating over a million dollars a year is planned to improve tobacco production in India. This is larger than our entire

expenditure in this country for tobacco research and is a substantial fraction of what the present bill contemplates spending for all fields of agriculture by June 30, 1947.

This research activity abroad is all indicative of the world trend in relation to agricultural products. If we are to hold our foreign markets it is essential that effective, productive research be initiated at the earliest possible moment.

The CHAIRMAN. Now, I want to ask consent of the committee to insert in the record at this point a letter that will be sent over from the Department of Agriculture endorsing the bill, both title I and title II.

(The letter referred to is as follows:)

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., July 1, 1946.

Hon. JOHN W. FLANNAGAN, Jr.,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. FLANNAGAN: In accordance with your request, we have reviewed H. R. 6932, dated June 29, 1946, to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products. This print is a revision of an earlier print which combines H. R. 6548 and H. R. 6692.

The objection which this Department had to the addition of H. R. 6692 as title II of H. R. 6548 because of the provision requiring the establishment of an agricultural marketing administration in the Department, has been eliminated in H. R. 6932. This change we consider as very desirable since we do not believe it is in the interest of efficient administration of the Department or the accomplishment of the objectives of the bill to establish an agricultural marketing administration as provided in H. R. 6692. The present bill would permit such organization for the handling of the work authorized in the bill as the Secretary of Agriculture deems appropriate.

As revised in H. R. 6932 the Department strongly favors the enactment of the proposed legislation which will provide for carrying on research and service which will be of very great benefit to farmers and the public.

In view of your request that our views be presented today, this statement has not been presented to the Bureau of the Budget for advice as to its relationship to the program of the President other than that contained in our report on H. R. 6548.

Sincerely yours,

CLINTON P. ANDERSON, *Secretary.*

Mr. ABERNETHY. May I inquire whether or not that letter will express the views of the Secretary as to the language included on page 16 which you were reading from a few moments ago?

The CHAIRMAN. The Under Secretary has already testified on that point.

We will adjourn further hearings until Friday at 10 o'clock. On Friday at 10 o'clock we will go into executive session.

(Whereupon, at 11:25 a. m., the committee adjourned, to reconvene in executive session at 10 o'clock Friday, June 29, 1946.)

(The following statements and letters were submitted:)

STATEMENT SUBMITTED BY JOSEPH H. FRANCIS, SECRETARY OF THE NATIONAL BOARD
OF FUR FARM ORGANIZATIONS

Mr. Chairman, the National Board of Fur Farm Organizations is a national organization representing the fur-farming industry of the United States.

Its membership represents 37 regional, State, and local fur-farmer associations whose combined membership includes 85 percent of all fur farmers in our country.

The fur-farming industry endorses in principle and purpose House bill 6548 and appreciates the opportunity of appearing before your committee in support of the passage of this legislation.

Though small in comparison to other branches of agriculture, it is perhaps agriculture's newest industry, having come into existence during the past 15 years. Today there are approximately 10,000 fur farmers scattered throughout 34 States, with an estimated investment of \$150,000,000. This year's crop of furs taken from our farms will exceed \$30,000,000.

The average size fur farm is owned and operated as a family unit similar to small dairy, livestock, poultry, and produce farms, and in a large number of cases is carried on in connection therewith. Seventy percent of the products used in feeding fur-bearing animals consist of byproducts of the farm. Experiences have proven that the most successful fur farmers are those who have had experience or training in the field of animal husbandry, as the success of fur farming, like unto raising other domestic livestock, depends upon scientific feeding, breeding, and farm management.

Though our industry has made a steady growth since its beginning, future progress and development is being retarded due to the lack of scientific knowledge in the field of disease control, nutrition, breeding, and management.

We have endeavored as an industry to find a way where in this needed research could be carried on, by the industry itself, but have been unsuccessful. This was due to the fact that nearly in all cases, each farm is built around a family unit whose resources are small and limited. Also, fur farms are so scattered and dispersed that it is an impossible task to concentrate their effort and resources in sufficient volume at a central point to carry on an efficient research program. It is only through the medium of Government that this handicap can be overcome.

We are sure that other small agricultural industries are in a similar position to that of the fur farmer.

Turning to the broader aspects of this bill, designed to stimulate more and broader uses for agricultural commodities and products, there can be no better proof or evidence of the tremendous benefits that will come to our national agricultural economy if this legislation is passed than the fur-farming industry itself.

Here is a new, infant industry with possibilities for expansion unlimited being curtailed due to lack of scientific knowledge, an industry adapted to rural life and the use of submarginal land, made up of agricultural labor and depending upon the supply and use of the byproducts of the farm for its existence. And by the means of scientific knowledge and good animal husbandry practices, converts these surplus farm commodities into a product that does not compete on the market with other agricultural products.

As astounding as it may seem, this small agricultural industry, by means of a Federal excise or sales tax on its product, will bring more money into the Federal Treasury this year than is spent by our Government during the year on research for all of agriculture. There is no limit as to the number of similar small industries that could be developed, providing we have a wider scientific knowledge of the products of the soil.

No legislation could contribute more to carrying out the request and views of the President of the United States. Wherein we refer to the President's address on the state of the Union delivered January of this year—under heading of "General policies—Immediate and long range," quote:

"We must encourage the development of resources and enterprises in all parts of the country, particularly in undeveloped areas. For example, the establishment of new peacetime industries in the Western States and in the South would, in my judgment, add to existing production and markets rather than merely bring about a shifting of production. I am asking the Secretaries of Agriculture, Commerce, and Labor to explore jointly methods of stimulating new industries, particularly in areas with surplus agricultural labor."

Nothing could be more challenging or have a greater bearing on the bill we are considering than the statement just read. Every means of Government should be given to provide some basic sound program of absorbing the tremendous shock that inevitably faces our domestic agricultural industry within a very short period, when reconversion and deflation of agricultural prices sets in. Reconversion of agriculture can only mean diversification of its productive resources. To create and stimulate new agricultural industries, as the President so forcibly points out, is the only logical answer to soundly and permanently meet our future agricultural problem.

Research holds the keys to stimulating new agricultural industries. Knowledge is the forerunner of application, and there can be no question as to the resourcefulness and ingenuity of the American farmer providing he has the know-how.

Before closing I would like to say a few words on another point in relation to this bill. If the question has not already risen, it no doubt will come up during the discussion of this legislation. Can the principle of appropriating Government moneys for carrying on agricultural research and research work as provided for in this bill be justified? It is beyond my ability to estimate the enormous sums of money that our Government spent during the war period on research and experimental work in order to produce essential materials and equipment for war. Though all branches of industry will benefit either directly or indirectly therefrom, agricultural research was near the bottom of the list.

There is another factor that is a far more important reason why farmers are justified in supporting this bill. There is no financial incentive to encourage or stimulate private research in the field provided for in this bill, nor can there be, for we can place no patents or trade-marks upon, nor secure royalties from, nature's processes or formulas of production. Though a man or group of men may spend a lifetime in development of a new type of grain, plant, or vegetable, or a new breed or kind of livestock, there is no possible means whereby they can be repaid financially for their efforts or services comparable to similar scientific developments in other industries, for the production and use of the products of the soil are without restraint or control to all who may choose to want or acquire them.

Scientific knowledge developed in agriculture-research laboratories and experimental stations is given free to the public without fees or royalties having to be paid.

Compare this with the articles that are produced in other industries that the farmers must buy. From can openers to tractors, tooth brushes to orchard sprayers, patents are issued and royalties must be paid for their use. By means of such controls, scientific research in other industries has become a profitable part of their business.

If other industry, by means of the use of Government, can force the public to pay cost plus for its research and experimental programs, by means of patents and trade-marks upon which royalties and commissions must be paid for the use or occupancy of its products or formulas, Government without question is justified in carrying on a research program which will give free and uncontrolled to the public a wider knowledge of scientific facts relative to the production and use of the products of the soil.

Because of the favored position industry is in relative to profiting from its research program, it will be a difficult task for agriculture to compete for talented men who are qualified and interested in the research field. We have tagged far behind today and must accelerate our efforts in this important field if our agricultural economy is to keep abreast with other industries and other countries.

The passage of H. R. 6548 is a step in the right direction and we hope Congress will pass this legislation, that is most vital to the welfare of the American farmer.

STATEMENT SUBMITTED BY THE AMERICAN HOME ECONOMICS ASSOCIATION

(Lelia Massey, executive secretary of the American Home Economics Association, presents the following statement, for the American Home Economics Association:)

The American Home Economics Association is a professional organization with affiliated associations in 48 States and Puerto Rico. Its 16,500 members include supervisors and teachers; home economics workers in the extension service and other Federal and State agencies; home economists in the employ of business firms, hospitals, and other institutions, social welfare and public health organizations, and also homemakers in their own homes. Its program of work and legislative program is adopted after careful and open consideration at the annual meeting of the association.

The American Home Economics Association supports the legislation in H. R. 6548 as including the provisions not only for nutrition research but for research in other important home problems. We see the need for facts on which to base all programs of home economics. We believe that the agricultural experi-

ment stations in the land-grant colleges of the several States are an effective agency for research on problems of the home.

The Federal Government is now committed to several action programs for the betterment of everyday living: for example, home demonstration work, teaching of homemaking in the public schools, school-lunch program, and, at the college level, the training of home economists in the land-grant colleges. The return to the Nation on the millions of dollars which the Federal Government spends annually in all these programs would be increased if they were all based on scientific research.

Let me illustrate. All of these programs are more or less concerned with food. It is not enough to know procedures in processing food. We should know the effect on the nutritive value of food of variations in plants, soil, storing, and processing. After the food reaches the home, we need to know what changes take place as the homemaker stores, prepares, and serves the food to her family.

Extensive studies in changes in nutritive value of food in cooking and serving food under Army conditions were carried on by the Army during the war because it was of importance to the health and stamina of the Army that the maximum nutritive value be conserved. It is even more important that the losses that may take place under home conditions be studied because the conservation or losses of the nutritive values of food in the home preparation and serving affect the health and stamina of the Nation and most especially of the Nation's children.

The agricultural experiment stations have conducted notable research on the feeding and growth of farm animals. It is of even greater importance that comprehensive and cooperative programs of research on human nutrition be carried on through these experiment stations, where only a beginning has been made in the field of human nutrition. The lack of funds for human nutrition research, and not the lack of recognition of the need for this research, has handicapped the agricultural experiment stations.

To further illustrate the need for research on a basis for all programs of home-making education: Industry spends much money in research on canning of foods under factory conditions. Until the best home methods of canning foods are discovered likewise through research, all programs for informing the homemaker in these processes must be based on guesses.

I have used the need for research in the problems of food and nutrition from the standpoint of the homemaker as an illustration. A similar need exists for research on all other problems of the home, such as housing, equipment, textiles, and clothing, family economics, standards of living, and procedures of home management. All of these problems, while having much in common, vary from region to region and from State to State. The American Home Economics Association subscribes to the belief that such research should be conducted by a research agency that is close to the problems of the people in the various States. We believe that the only way that a comprehensive research program on home-making problems can be carried on a Nation-wide basis is through appropriations by the Federal Government. We further believe that such research should involve recognition of the variations in patterns of satisfactory living in the various States and areas and must, therefore, be carried on in the several States.

The agricultural experiment stations offer an opportunity to study problems in each State and at the same time to coordinate the work in the various States through cooperative projects so that a national program of research can be effectively carried out. In addition, the research programs in the States are coordinated with the research work in the United States Department of Agriculture, thus avoiding duplication and adding further strength.

For all these reasons the American Home Economics Association supports H. R. 6548, which gives the opportunity for research on the problems of the rural home, as well as the farm, through the facilities of the agricultural experiment stations in the several States and the United States Department of Agriculture.

STATEMENT OF MISS J. ERNESTINE BECKER, ASSOCIATE PROFESSOR OF BIOLOGICAL CHEMISTRY, SCHOOL OF HYGIENE, JOHNS HOPKINS UNIVERSITY, BALTIMORE, MD.

For the past 25 years I have had the good fortune of working in a laboratory of biochemistry and experimental nutrition. It has been my privilege to observe first-hand the effects of adequate and inadequate rations on a colony of experimental animals. The animals all stem from the same stock and are reared in the same environment. On adequate diets they live out their equivalent of "three

score years and ten" or better. On inadequate diets early aging and evidence of premature senility manifest themselves, and the life span is reduced 50 percent or more. On such rations families deteriorate noticeably and become extinct after several generations.

The desire for information of this nature was what prompted me to give up practical hospital work and enter the laboratory. Experience gained here and from the reports of other investigators and the occasional opportunity to tell an interested group about the effects of adequate and inadequate diets convinced me of the fact that the nurse was right when she remarked that all women patients are interested in two things: babies and food. Experience has taught me that the same can be said of men. In other words, an interest in the more abundant life of necessity involves an interest in babies and food.

The national nutrition conference, called by our late President in May 1941, brought together representatives and technical experts, food processors and distributors, home economists, nutritionists, physicians, housewives, social workers—a veritable cross section of the population—gathered together to discuss food—for health, for defense, and later for winning the war and winning the peace.

A yardstick of good nutrition was set up: the recommended dietary allowances of the Food and Nutrition Board of the National Research Council. These allowances were based on evidence then available. Such evidence is based on studies and observations on people and experiments on animals. All admit they are not the last word but that they constitute a "tentative goal toward which to aim in planning practical dietaries" and that they "can be met by a good diet of natural foods." More work is necessary to establish more definitely whether these allowances are too great or too small.

From studies on women and animals it has been established beyond a doubt that an adequate diet during pregnancy is a safeguard for both mother and child. Fewer accidents befall both mother and child during pregnancy, labor, postpartum, and early infancy among women who enjoy excellent diets during pregnancy.

Institutionalized children on good diets showed only one-fourth as many new tooth cavities in the course of a year as did children of the same age in private homes. In homes visited by a nutritionist, who instructed the mothers in the value of a well-selected diet and who gave suggestions on meal planning and preparation, children had only half as many new cavities as children in unsupervised homes but twice as many as the institutionalized children. To the institutional children not only was good food available but it is apparent that they also had food habits that were good so they ate and enjoyed their meals.

The newer knowledge of nutrition is extensive but there are still gaps to be filled in by further research and study. Maximum utilization of existing knowledge would go far toward eliminating the scourge of malnutrition in this country. Existing agencies, such as the regional research laboratories, State experiment stations and colleges, schools and departments of home economics, are equipped with the necessary personnel to carry on research and disseminate information. The American Home Economics Association is an organization which has long been interested in all phases of nutrition research. It was among the first to see the significance of adequate nutrition to health and life, and to translate the sometimes complex findings into the language of the layman and to render these discoveries of use in everyday living.

STATEMENT OF MRS. EDWIN D. FRY, A FARM HOME WORKER, ROCKVILLE, MD.

I live on a 285-acre dairy farm in Maryland, and have a family of eight to feed and care for. Nursing training has been a great help to me in finding solutions for some of my home problems of nutrition, and at the same time I have seen the great need for more research and wider education on nutrition problems in relation to health and well-being. The subject needs to be given more attention by those who make plans national in scope, and more local in solution.

Farm homemakers have been wisely guided by the Extension Service now for about 30 years and, while private industry has done much through its research on food problems and its educational follow-ups through magazines, radio, and other channels, still in farm homes our nutrition problems do not always relate to highly processed foods and vitamin pills, but more often to such matters as making the fullest utilization of foods we can produce on our farms, and for such answers we look to the experiment station and the Extension Service and experiments of our land-grant colleges to supply. Why shouldn't they? They have

furnished the answers in regard to questions of adaptability and disease-resistance of seed and have advised us well in regard to improving our permanent pastures. The valuable information that we get through the experimental field of the land-grant college is noncommercial and unbiased, and just what we have needed up to this point. Now we need more. The field that needs to be stressed now is that of human nutrition, and it relates to the whole food program of the family, the community, and the country, and the logical point of attack is in the various States, under the supervision and authority of the experiment stations and Extension Service.

Homemakers do not want to short-change their families, nutritionally speaking.

STATEMENT OF MRS. BERNYECE JOHNSON, HOMEMAKER OF OREGON

At the agricultural State college, where I graduated in home economics, the agriculture students used to tell me of the extensive program that was going on there in farm and animal research, and I remember how little was done in human nutrition. I don't quite understand why this is true. We homemakers are truly grateful for all research or all information that we can get, and we have been told, for instance, that vitamins are the things that are important, that we should prepare and cook foods quickly, that we should avoid the use of soda in cooking green vegetables. My neighbors and I are becoming very much interested in frozen foods, and they have asked how could we best prepare these and how long should they be kept in the refrigerator. There are so many things that we should like to know about feeding our families, and we can't know this without more research, and we homemakers are confident that if this research is done, our experimental stations will get this information to us.

AMERICAN DAIRY ASSOCIATION,
Seattle 4, Wash., June 19, 1946.

HON. JOHN W. FLANNAGAN, Jr., M. C.
House Office Building, Washington, D. C.

DEAR SIR: It is very desirable that we have a balanced economy in the United States of America and its Territories, and in order to provide better things for better living it is necessary that we have the facilities to do research studies on the production, processing, packaging, and marketing of our agricultural commodities that provide our foods and fibers, to the end that our national agriculture charged with this responsibility of production may through research studies be provided with better means of producing, processing, marketing, and distributing these commodities which are not only indispensable to our rural life but to the maintenance of full employment and national prosperity in the public interests, and we must also recognize the principle that while the agricultural group is a minority group, it is a minority group that is indispensable to the welfare of the majority, and it should be given such assistance by the Federal Government as necessary to make the above suggested research studies possible.

House Resolution No. 6548 by yourself, provides for such assistance and this is a facsimile of letter sent to members of the State of Washington delegation in both branches of Congress.

Thanking you in advance for anything you may be able to do toward this end, I am,

Yours very truly,

ROBERT PRIOR,
Chairman, Research Committee.

WISCONSIN COUNCIL OF AGRICULTURE COOPERATIVE,
Madison 3, Wis., June 17, 1946.

HON. JOHN W. FLANNAGAN,
Chairman, House Agriculture Committee,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN FLANNAGAN: The Wisconsin Council of Agriculture Cooperative, a federation of our State's leading farm organizations and marketing cooperatives, is keenly interested in prompt passage of the agricultural research appropriation bill H. R. 6548.

Protection and expansion of America's food-producing capacity is more vital now than ever. What's more, we feel that over the years appropriations for agricultural research have never really been adequate.

We sincerely hope that action can be taken on this bill very promptly before the adjournment of Congress. We also feel that the provisions of this measure are so vital as to warrant keeping it separate and on its own without loading it down by the incorporation of any other legislation.

Sincerely yours,

MILO K. SWANTON,
Executive Secretary.

P. S.—Enclosed is a copy of a letter sent from this office to our Wisconsin delegation.

IRRIGATED COTTON GROWERS ASSOCIATION,
Phoenix, Ariz., June 10, 1946.

Hon. JOHN W. FLANNAGAN,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN FLANNAGAN: This association held a conference here in Phoenix on May 31 and June 1 which was attended by delegates from west Texas, California, New Mexico, and Arizona. One of the chief items of discussion was the Bankhead-Flannagan agricultural research bill. We wish to congratulate you on the very sound philosophy and principles embodied therein, which is perhaps more aptly expressed in the attached resolution which was passed at that time. If this association can be of assistance to you on this or any of the other cotton problems, we would indeed feel miffed if you did not call on us for whatever support we may be able to offer you.

With the warmest of personal good wishes, I am,

Sincerely yours,

KEITH TAYLOR, *Secretary-Treasurer.*

RESOLUTIONS

EXTRACTS OF MINUTES OF THE FOUR-STATE (WEST TEXAS, CALIFORNIA, ARIZONA, NEW MEXICO COTTON GROWERS ASSOCIATION IN THE REGULAR MEETING ASSEMBLED AT PHOENIX, JUNE 1, 1946

Whereas there has been introduced into the Congress of the United States a bill known as the Bankhead-Flannagan bill, the purpose of which is to consolidate and to increase the appropriations for agricultural research in these United States and which bill will eliminate present restrictions and will facilitate greater research; and

Whereas cotton in the four States represented by the association in its present and its potential plays an important part in western agriculture, and the cotton grown in the four States is of such type and variety and produced under conditions that research, particularly in the mechanical fields, as conducted in other sections of the country does not meet the local needs; and

Whereas there is great need for further research in genetics and the mechanics of the cotton fiber in the region embraced by the Four-State Cotton Growers Association; and

Whereas present appropriation does not permit added experimentation in this important field of agriculture: Now, therefore, be it

Resolved by the Four-State Cotton Growers Association in the meeting assembled. That it commend Senator Bankhead and Congressman Flannagan for their far vision and appreciation of the limitations of the present appropriations for experimental stations; and be it so

Resolved. That this association memorialize Secretary of Agriculture, Clinton P. Anderson, and commend him for his support of the said Bankhead-Flannagan bill; and be it further

Resolved. That the National Cotton Council to commend for their recommendations and the designation of certain moneys to be expended in cotton research; and be it further

Resolved. That Senator Bankhead, Congressman Flannagan, and the Secretary of Agriculture, and the National Cotton Council be requested to give consideration to appropriations in field research of cotton in the States represented by this Association; and be it further

Resolved, That the Honorable Secretary of Agriculture and the National Cotton Council be requested to give consideration to the establishment of a ginning and spinning laboratory in the area embraced by this association; and be it further

Resolved, That the Senators and Congressmen of the four States represented by the association be memorialized and requested to lend their energetic and aggressive support to the end that the Bankhead-Flannagan bill will pass the Congress and embrace the recommendations of the association; and be it further

Resolved, That copies of this resolution be sent to Senator Bankhead, Congressman Flannagan, the Secretary of Agriculture, and the National Cotton Council.

MARYLAND AND VIRGINIA MILK PRODUCERS' ASSOCIATION, INC.,
Washington, D. C., June 13, 1946.

HON. JOHN W. FLANNAGAN, JR.,
House of Representatives, Washington, D. C.:

DEAR CONGRESSMAN FLANNAGAN: It gives me a great deal of pleasure to suggest to you that I think your House bill 6548 will do a wonderful job for the agricultural colleges. Virginia in particular needs this type of assistance right now, especially in view of the failure of the State legislature to help them in a way that I believe they should have.

I am taking the liberty of writing the Congressmen in our respective districts, asking them to support this bill. If you find I can be of further service, please do not hesitate to get in touch with me.

Very truly yours,

B. B. DERRICK, *Secretary-Treasurer*.

BONHAM BROS., *Chilhowie, Va., June 5, 1946.*

HON. JOHN W. FLANNAGAN,
Washington, D. C.

DEAR SIR: It has been my privilege for a number of years to be on the horticultural committee appointed by the State Horticultural Society. In so doing I have been connected with experimental and research work as conducted by the college at Virginia Polytechnic Institute.

I see that House bill 6548 has been introduced in Congress which if passed will increase research funds to the experimental stations quite a bit. I know the college needs this increase in research funds. I would appreciate any support you can give this bill. Being a fruit grower and in close contact with the research department I am sure they need this in order to increase the research department at Virginia Polytechnic Institute.

With very best wishes,
Respectfully yours,

E. B. BONHAM.

VIRGINIA FARM BUREAU FEDERATION, INC.,
Harrisonburg, Va., June 6, 1946.

Representative JOHN W. FLANNAGAN, JR.,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN FLANNAGAN: In behalf of the members of our organization numbering something over 20,000 of Virginia's leading farm families, we wish to solicit your support of the Bankhead-Flannagan agricultural research bill (S. 2248) and H. R. 6548.

We feel that if farm income is to be maintained at profitable levels every effort possible should be made, not only to enable the farmer to lower his costs of production, but also to assist him in improving the processing and marketing of his products.

Evidence that improvements are badly needed, particularly in processing and marketing, is shown by the fact that in normal years the farmer receives on an average just 41 cents of the consumer's food dollar. The percentage is higher now but in June 1932, the farmer's share of the consumer's food dollar was just 29 cents.

Research on the part of Government and industry was to a great extent responsible for the saving of thousands of lives and bringing the war to an early and successful conclusion. Agricultural research has likewise played a vital part in

enabling our severely curtailed farm labor force to make a phenomenal increase in food production during the war years.

The 6,000,000 individual farms in the United States that provide the Nation with its supplies of vital food, feed, and fibers obviously are not in a position to carry on the research so necessary to continued progress.

The farmer's income is determined by the spread between his costs of production and the price he receives in the market place. It is anticipated that in the years immediately ahead this spread will become somewhat smaller than at the present time. It is our opinion that additional research on production problems plus badly needed research on processing and marketing will do much to help the farmer maintain his profit margins in the years ahead.

Your valued support of S. 2248 and H. R. 6548 will for these reasons be much appreciated.

Yours very truly,

M. A. HUBBARD, *Executive Secretary.*

SOUTHERN STATES COOPERATIVE, INC.,
Richmond 13, Va., June 6, 1946.

Congressman JOHN W. FLANNAGAN,
Chairman, Agricultural Committee, House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN FLANNAGAN: We in southern States have been very much interested in House bill 6548, which provides increased research funds to State experiment stations. I am told that this bill would mean an increased budget of around \$250,000 for the Virginia Agricultural Experiment Station. You are to be congratulated on sponsoring such worth-while legislation.

The welfare of agriculture depends very largely on effective research. Research, of course, is the basis of teaching and extension work and without an adequate research program agriculture cannot keep abreast of its problems and stay competitive in a highly competitive world. I happen to know that the appropriations for experimental work by the State legislature were very inadequate and most likely will continue to be for some time to come. This makes it all the more important that reasonably adequate funds be provided through Federal sources.

Of course, one advantage in research conducted with Federal funds is that there can be a better correlation of experimental work with less duplication than would otherwise be possible. In other words, with guidance from the USDA the various State experiment stations can supplement each other in carrying on a research program which will more fully cover the fields in which research is needed.

As a farmer-owned and farmer-controlled cooperative it is our responsibility to provide those farm production supplies needed to carry out the recommendations of the experiment stations. It is also our responsibility to develop as rapidly as possible marketing programs which will enable farmers to secure better market outlets for their farm produce. We are, therefore, very much interested in anything which will help our farmer members, and we are convinced that an adequate research program is absolutely essential.

Again let me congratulate you on your interest in this type of farm legislation and assure you of our interest and support.

Sincerely yours,

HOWARD H. GORDON,
Director of Marketing Services.

VIRGINIA REA ASSOCIATION,
Bowling Green, Va., June 10, 1946.

Hon. JOHN W. FLANNAGAN,
Washington, D. C.

DEAR MR. FLANNAGAN: I see bill H. R. 6548 has been introduced which provides more funds for each State over a period of 5 years for research through experiment station facilities.

As president of an organization representing rural people of Virginia I had an opportunity to study the needs and work with the committee that prepared recommendations for funds from our general assembly at its last meeting.

I know we need more funds for this purpose and H. R. 6548 in my opinion will certainly do a great good in Virginia, if passed. We need the research done; and the funds are badly needed.

I might say that the research provided does not apply to the needs of the group I represent in their Rural Electrification work; but, it does provide for research in their main occupation, farming, and that really counts. I am a farmer and feel I can truly endorse the passage of this bill for them 100 percent.

Please give it every aid in your power. Virginia farmers need this research work done at the experiment station.

Sincerely,

C. H. CREST,
President, Virginia Rca Association.

MINNESOTA FARM BUREAU FEDERATION,
St. Paul 1, Minn., June 4, 1946.

Hon WALTER H. JUDD,
Member of Congress, Washington, D. C.

MY DEAR CONGRESSMAN: Your favorable attention to H. R. 6548, now in the "hopper" is urged. It is my understanding that this measure, to provide funds for agricultural research, will be up for consideration next week.

In no field of governmental activity is money more wisely invested than in agricultural research. Great achievements have been made with the paltry amounts of money available to scientists in our agricultural colleges. These men, it seems to me, are of a different breed than most of us who like to make an honest dollar whenever we can. From the time of Wisconsin's great Dr. Babcock to the present day, college scientists have worked without thought of personal gain, and have created great national wealth in which their share has been no greater than that of any other citizen.

The scientists who developed hog cholera controls saved the Nation more than all the money that has been appropriated in America for higher education. Scientists of our own State college of agriculture have developed disease-resistant, abundantly yielding grains that have made bread cheap and plentiful for the poor man. The distemper control developed by a Minnesota research man saved the silver fox farming industry. In every phase of the production of food and fiber between these two extremes, scientists have served the public well.

I have wondered sometimes what would happen if all funds for public purposes had to be raised by passing the hat. Billions less would be raised, I am sure, but I am equally sure that under this method the amounts raised for scientific agricultural research would be greatly increased, if the average individual realized how his interests were served by the scientific work of our agricultural colleges.

There can be no end to the need for scientific study, even if we merely protect what we have today. New diseases of livestock, poultry, and plant life, and weeds that our fathers never heard of, require more attention than our understaffed research facilities can give.

The bill now before the House, with its companion bill, 2248 in the Senate, contains three appropriations: A fund of \$20,000,000 expendable over 5 years, for experiment-station work on all types of farm problems; another appropriation, \$15,000,000 expendable in 5 years, for research on utilization of farm products; and a third of \$6,000,000 for a 5-year period, for cooperative research by the United States.

Here is a total of \$41,000,000, to be spread over the Nation over a 5-year period. A specific for Bang's disease would be worth this much to the people of Minnesota, in view of the public-health question involved.

Testimony on H. R. 6548 was given recently by Messrs. O'Neal, Schneck, Randolph, Ogg, and Parel of the American Farm Bureau and by spokesmen for the Grange and Co-op Council. Any additional information you may desire can be obtained from the American Farm Bureau office, Munsey Building, Washington, D. C.

Enactment of these appropriation bills at this session is imperative.

Very truly yours,

LELAND J. MELROSE,
Editor, Farm Bureau News.

APPLEDORE ORCHARD,
McCUE & SON,
Greenwood, Va., June 8, 1946.

HON. JOHN W. FLANNAGAN,
Washington, D. C.

DEAR MR. FLANNAGAN: I note with a great deal of interest that you are sponsoring House bill 6548.

It having been my privilege to serve last year on the State agricultural commission, appointed by Governor Darden and also to have worked with the group for the reorganization of the horticultural department at VPI. I am keenly alive to the need of more research work at our land-grant colleges. This work is basic in its help to agriculture.

I am,

Yours very truly,

C. PURCELL McCUE.

BLACKSBURG, VA., June 11, 1946.

Congressman JOHN W. FLANNAGAN,
Chairman, Agriculture Committee of the House:

Growers of certified seed in Virginia keenly interested in House bill 6548. Seed-improvement work rests entirely on the ability of the experiment station to provide better foundation seed. I assure you that the certified-seed growers will be very grateful for any action you may take in securing a stronger program of research for the States.

S. F. GRUBBS,
Secretary, Virginia Crop Improvement Association.

THE VIRGINIA BEEF CATTLE PRODUCERS ASSOCIATION,
Richmond 14, Va., June 7, 1946.

HON. JOHN W. FLANNAGAN,
House of Representatives Office Building,
Washington, D. C.

DEAR MR. FLANNAGAN: The improvements in agricultural production enjoyed by farmers and the American public are largely due to the discoveries of the agricultural experiment stations. The continuation of this progress is dependent upon a vigorous, unending program of research. Unlike large corporations, whose laboratories yield technical information for the conduct of their businesses, farmers are dependent upon the discoveries of State and Federal research workers for improvements in crop and livestock production methods.

Members of the Virginia Beef Cattle Producers Association have benefited immensely from the results of experiments carried on in Virginia and elsewhere under the Federal-State experiment-station system. I am sure you are familiar with the advantages in Virginia which have come from experimental work in barley, in pasture reinforcement, in corn hybrid breeding, in fertilization, in efficient cattle-feeding methods, etc., but we need many more developments here in Virginia. Virginia and the South need better-adapted and higher-yielding small grains. Work needs to be done on cattle-disease-control problems which worry us. We could cite many other instances. But we need continual research programs if we are to keep production advancing and costs lower.

Our association is represented in every county in Virginia. Our members will support to a man the proposals of House bill 6548, which you are sponsoring so ably. This bill will afford much-needed funds to Virginia and to other States for carrying on this work. Progress made in research by State and Federal investigators working together is available to all States. It would be hard in Virginia to undertake to support this work alone because of the expense. We need the help of this bill in carrying out the objective of the Virginia experiment stations. Please call on our association for any assistance we can give at the hearing, or in any other way.

With best wishes, I am

Very truly yours,

HENRY E. HUTCHESON,
Executive Secretary.

RICHMOND, VA., June 5, 1946.

HON. JOHN W. FLANNAGAN, JR.,
Congress of the United States,
House of Representatives, Washington, D. C.:

Research is the very foundation of progress in improving our agricultural production methods and practices. Present agricultural research is utterly inadequate due to lack of funds which I believe must be largely provided by the Federal Government. I do hope your bill to increase the research funds to experiment stations will have favorable action by the Congress. The Federal Government cannot spend money more advantageously to promote the welfare, health, and security of all our people.

W. G. WYSOR,
Southern States Cooperative.

ONLEY, VA., June 11, 1946.

HON. JOHN W. FLANNAGAN,
Member of Congress, House Office Building,
Washington, D. C.:

Understand House bill 6548 sponsored by you will increase budget of Virginia agricultural experiment station by approximately quarter million dollars. More money badly needed for agricultural research and experimentation. Hope this bill can be pushed vigorously.

EASTERN SHORE OF VIRGINIA PRODUCE EXCHANGE,
J. E. TANKARD.

To: The members of the House Committee on Agriculture.
Re: H. R. 6548, committee print of June 20, 1946.

I am L. D. Bayer, dean of the school of agriculture and director of the agricultural experiment station of North Carolina State College. I am presenting this statement in my duly authorized capacity to represent the directors of the agricultural experiment stations of the land-grant colleges. The occasion for this statement at this time is in regard to the marketing features that are proposed for inclusion in H. R. 6548, features which have developed since our appearance before this committee on June 14, 1946.

First, let me assure you that the agricultural experiment stations have been interested in all phases of marketing research for a long time. Few people realize the contributions the stations, with limited funds, have made in the field of marketing. Marketing is more than the mere distribution of farm products. Successful marketing begins with quality production and ends with the satisfied consumption of farm products.

It is true that the major efforts of the experiment stations have been in the fields of (1) producing quality products that could be marketed and which would have consumer demand and (2) determining methods of processing farm products. During the war years, when all the stations were engaged in extensive production research programs, nearly \$2,000,000 were spent annually in the fields of marketing research. This figure does not include the funds spent upon production research that definitely included marketing phases. For example, was not the breeding of a waxy corn in Iowa, to serve as a source of tapioca, marketing as well as production research? Is not research to hasten artificially the maturity of potatoes so as to improve their keeping quality, at least half marketing research? Similar problems too numerous to mention have been and are being investigated. They do not show up on the marketing side of the ledger of expenditures, but you could not have successful marketing of the products in question without this research.

You heard Director Noble Clark, of Wisconsin, tell of the cooperative research in livestock marketing between the different States in the Corn Belt. This is the type of marketing research in which the States are greatly interested. They have appreciated the fact that many of our distribution problems are interstate in character. Funds have not been available to pursue this type of research on any extensive scale. H. R. 6548 gives, for the first time, specific authorization for interstate research. You may expect profitable developments in the field of cooperative research in marketing.

As chairman of the committee of directors of experiment stations, charged with the responsibility of assembling the information relative to the needs for

extended research programs in the States, I am able to tell you that the directors of these stations have estimated that they would need a minimum of about \$3,000,000 additional for research in the various phases of marketing, from processing to utilization. Gentlemen of the committee, we are doing a creditable job in marketing research with the funds at our disposal. We are all agreed that more funds for marketing research are essential if we are to progress in agriculture. The agricultural experiment station has long been recognized as the agricultural research agency of the State, comprised of technical personnel, trained in research methods. We are interested in using these facilities for expanding our research programs in marketing, both within the State and between States if funds are made available. We are in favor of the general objectives of H. R. 6548 to provide these funds.

There are at least two features of the committee print of June 20, 1946, that we would like to have clarified. The first is in section 11, lines 21-25, on page 12. There are three points of concern in this part of the section:

1. The directors discussed at length the question of earmarking funds for specific purposes. We are unanimously agreed that we do not favor the principle of earmarking, primarily because there is no good place to stop it. Your committee is already acquainted with the fact that groups other than those interested in marketing are anxious to earmark additional funds.

2. We want the language spelled out so that the meaning of the word "marketing" is made clear. It should start with processing and end with certain types of utilization.

3. We want to make sure that we continue to work through the Office of Experiment Stations in the Department of Agriculture. The present language leaves doubt in our minds on this point.

The second point is one of grave concern to all of us; that is, the specific language on page 13, lines 8-12, and the unclear language on page 13, lines 19-23, and on page 22, section 205C, opens possibilities for seriously disturbing the relationships between the experiment stations and the State departments of agriculture in the various States. Practically all of the States are working under agreements as to allocation of functions between the experiment stations, the agricultural extension services, and the State departments of agriculture. These agreements date back to the 1917 understanding between the land-grant colleges and the Association of Commissioners of Agriculture. The agreement then mutually agreed upon has not been abrogated. Moreover, the policy of the United States Department of Agriculture relative to its cooperation with State agencies was first expressed by Secretary Wallace in a communication to the governors of the several States on February 23, 1923. This communication stated that all regulatory work and matters of law enforcement should be in cooperation with the State departments of agriculture, all research work with the agricultural experiment stations, and all extension work with the agriculture extension service.

These two expressions of policy have resulted in the majority of States having definite understandings between the State agricultural agencies with respect to the allocation of functions. Perhaps an explanation of the procedure of operations in North Carolina will give you a picture of a unified program in which each agency sticks to its allocated function but contributes suggestions to the others.

We have a marketing committee set up for each of the major commodity groups. The committee has chosen fruits and vegetables as the first commodity group to work on. A complete program of marketing activities from production to consumption has been developed. The research needs are to be met by the experiment station, the extension needs are to be filled by the extension service, and the service and regulatory needs, by the State department of agriculture. We have one coordinated program with the different agencies dovetailing their functions into each other. There is no duplication of effort and no friction. This is the only way you can have a strong coordinated marketing program in the State. It is essential that no legislation be passed by the Federal Government that will upset these relationships within the States. We want to be sure that the language of this bill makes possible for each of the State agencies to get the necessary support for the functions that are set up for them to discharge and at the same time protect each agency in the discharge of these functions. The objectives of the bill to "improve and facilitate the marketing and distribution of agricultural products" can only be achieved by providing sufficient funds for the harmonious working together of the recognized agencies within the State and not in the allocation of funds that will lead to duplication, confusion,

and friction, which the present language of the bill makes possible. This is a vital and far-reaching aspect of the bill that needs to be straightened out.

I am submitting to the chairman of the committee several suggested amendments that may be helpful in resolving the questions we have raised regarding the marketing aspects of H. R. 6548. We earnestly hope that all controversial points can be resolved so that the committee can pass such a monumental piece of legislation.

STATEMENT OF THE NATIONAL PEACH COUNCIL

JUNE 13, 1946.

The Honorable JOHN W. FLANNAGAN, Jr.,
Chairman, Agriculture Committee, House of Representatives,
House Offices, Washington, D. C.

DEAR CONGRESSMAN FLANNAGAN: We have a copy of H. R. 6692, setting up the Agricultural Marketing Administration.

This will work strongly toward giving strength and direction to governmental marketing policies and practices, something which is now rather sadly lacking.

The proposed Agricultural Marketing Administration should also be very helpful to producers, by inaugurating a unified, coherent, and practical program of improvement in marketing farm products. We are finding that this improvement and coordination is one of the major needs of agriculture.

Any costs incurred would be minute compared to the costs of continued subsidies and the waste due to bad marketing practices.

We hope that you and the Agriculture Committee can push this through to speedy completion.

If hearings are held on H. R. 6692, we would like to appear in favor of it.

Sincerely,

CARROLL R. MILLER,
Executive Secretary, National Peach Council

STATEMENT OF CYRUS S. KAUFFMAN, ECONOMIC-MARKETING CONSULTANT,
 WASHINGTON, D. C.

JUNE 18, 1946.

HON. JOHN FLANNAGAN,
Chairman, House Committee on Agriculture,
House Office Building, Washington, D. C.

DEAR SIR: May I recommend early approval and passage of H. R. 6692, a bill to improve and facilitate the marketing and distribution of agricultural products? To me this bill is particularly important in that it—

1. Restores, enlarges, and emphasizes the service and regulatory phases of the Department of Agriculture.

2. Eliminates much duplication.

3. Bridges the gap between the production of farm products and the consumption or use.

During the war I was associated with the War Food Administration and had an opportunity to see the Department of Agriculture function. It was particularly disturbing to find that many of the fine regulatory and service elements of agriculture were being supplanted by trading or operational functions. In many ways the Department was taking over normal trade and merchandising functions.

In my opinion this bill would restore the administrative and service functions of agriculture, permitting the Department to assist the farmer, the farm-product merchandiser, the processor, and even the consumer of farm products. The bill would also encourage privately operated marketing, manufacturing, and distribution systems and would guide rather than control these important functions.

The net result would also be to restore agriculture to its economic and service phases of operation and reduce the tendency toward political action, toward which the Department has been drifting.

During my 2 years with War Food Administration I was frequently impressed with the fine group of men who occupy many of the positions in the Department of Agriculture. Most of these men are career men of ability who are sincere

and capable. Yet frequently their efforts have been hampered through so-called emergency operations and political maneuverings.

I am writing this letter both as a former employee of the Department of Agriculture and as an economist representing four large companies producing and distributing foods made from basic grains. We cannot have a sound farm economy without providing for marketing, processing, and distribution (consumption) of farm products.

I also had an opportunity while in the Department of Agriculture to work closely with Mr. Chester Davis, and saw at first-hand the effectiveness of a central advisory committee, coordinating producers, distributors, and processors of agricultural products. This advisory committee was never able to take action or make recommendations, as Mr. Davis resigned just about the time it was beginning to function. However, even in the brief period of the existence of the advisory group much was accomplished. The record of that committee is indicative of the value of such an advisory group as is provided for in H. R. 6692.

And the provisions of this proposed bill also provide for essential research in the field of marketing. Farmers sometimes forget that the food processor is really a salesman for farm commodities. This bill unites and coordinates the farmer, merchandiser, processor, and food distributor, and coordinates their mutual interests. High-sounding words such as "high level of farm incomes," or "stable farm prices" have an opportunity of becoming realities when farmer, processor, and distributor work together as provided for under this bill.

Sincerely,

C. S. KAUFFMAN.

STATEMENT OF W. P. HEDRICK, TOBACCO MARKETING SPECIALIST, NORTH CAROLINA
DEPARTMENT OF AGRICULTURE, FOR THE HOUSE COMMITTEE ON AGRICULTURE

The farmers of North Carolina are strong believers in the value of research, and as we move into the postwar period it is most important that we support comprehensive research in the field of marketing, distribution, and utilization of our farm crops.

As a source of income, tobacco—its production, warehousing, processing, exporting, and manufacture—furnishes the basis for the agricultural economy of large areas in the southeastern United States.

To North Carolina it represents 51 percent of our total agricultural income. In 1945 the total income to the growers of flue-cured tobacco was \$513,000,000 in the Southeastern States.

Our growers are apprehensive of the future of this crop, especially in the export field. There is a great need for research in the field of marketing, distribution, and utilization. We believe that the need for this research would be taken care of in the combination of the bills H. R. 6548 and H. R. 6692, introduced by Mr. Flannagan and Mr. Hope, respectively. In this way, marketing research which has its particular problems would be placed under a bureau charged with a special responsibility.

It has been our observation in the past that in general appropriations for research, marketing has been neglected in many cases.

In the field of tobacco, I do not know of any marketing research being carried on at the present time, either by Federal or State agencies.

We believe the bill as written at present is broad enough in its scope to relieve some of our need for marketing research at home and abroad.

Note under Title II: Declaration of Policy, page 16, line 2, beginning at comma, that new and wider markets for American agricultural products may be developed, both in the United States and in other countries, with a view to making it possible for full production of American farms to be disposed of usefully, economically, and profitably. If that one purpose alone was carried out, it would go far toward relieving some of the problems faced by our farmers in the Southeastern States. The exports of flue-cured tobacco have fallen off during the war period and it will take the concerted efforts of all groups in research and otherwise to regain these markets.

During the period 1934 to 1938, exports were 44 percent of our production; 1941 to 1945, only 41 percent went into export channels. We are faced with foreign competition, as is shown by these reports.

India: As a result of research carried out at a tobacco research station in India, a promising cigarette tobacco variety called Amerlo has been produced. India has appropriated \$2,000,000 for this research.

Brazil: Had exceptionally large tobacco crops for 1945-46 season. It is estimated that the crop will be from 14 to 42 percent more than last season's crop of 58,000,000 pounds. Increased production is attributed to high prices and continued heavy demand for exports, according to a report from the American consulate at Bahia. Brazil is a competitor of American tobacco growers in the European markets.

These are just two examples of what we face in the export field on one crop. I am sure that many others could be cited that will affect our export trade in agricultural products.

When the committee has satisfied itself as to the need for such legislation, I feel that research in all its phases will be benefited by the passage of this bill.

×

PROVIDING FOR FURTHER RESEARCH INTO BASIC LAWS AND PRINCIPLES RELATING TO AGRICULTURE AND IMPROVING AND FACILITATING THE MARKETING AND DISTRIBUTION OF AGRICULTURAL PRODUCTS

JULY 26 (legislative day, JULY 5), 1946.—Ordered to be printed

Mr. RUSSELL, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H. R. 6932]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 6932) to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products, having considered the same, report thereon with the recommendation that it do pass with the following amendments:

1. On page 2, line 8, strike out the word "full", and insert the word "maximum".

2. On page 13, line 17, after the figure "9", strike out the letter "(a)" and insert the letter "(b)".

3. On page 15, at the end of line 24, add the following language:

To the maximum extent practicable marketing research work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural experiment stations and such other appropriate agencies as may be mutually agreeable to the United States Department of Agriculture and the experiment stations concerned. Marketing educational and demonstrational work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural extension service and such other appropriate agencies as may be mutually agreeable to the United States Department of Agriculture and the State extension service. Information, inspection, regulatory work, and other marketing services done hereunder in cooperation with State agencies shall be done in cooperation with the State departments of agriculture, State bureaus and departments of markets and such other appropriate State agencies as may be mutually agreeable to the United States Department of Agriculture and the State departments of agriculture or State bureaus and departments of markets.

4. On page 17, line 1 after the word "new" insert the words "or expanded".

5. On page 17, line 2 after the word "markets" insert "(domestic and foreign)".

6. On page 17, line 2 after the word "new" insert "and expanded".
 7. On page 17, line 4 strike out the word "elsewhere" and insert the word "abroad".
 8. On page 21, line 1 strike out the word "research", and insert after the word "marketing" the following language: "service and in marketing research".
 9. On page 21, line 9 after the word "marketing" insert "services and for marketing".
 10. On page 21, line 12, strike out the word "research".
 11. On page 21, line 18, strike out the word "research".
 12. On page 24, lines 17 and 18, after the words "forest products," insert the words "fish and shellfish".
 13. On page 26, line 3, strike out all after the word "programs.".
 14. On page 27, strike out lines 1, 2, and 3.
 15. On page 27, line 6, strike out the following words: "The committee shall meet".
 16. On page 27, strike out lines 7, 8, and 9.
 17. On page 27, line 10, strike out the words "executive committee" and insert the following words "The committee shall consist".
 18. On page 27, line 11, change the comma after the word "Organizations" to a period, and strike out the word "shall".
 19. On page 27, strike out line 12.
 20. On page 27, line 13, strike out the first word, "committee".
 21. On page 27, line 13, after the word "The" strike out the word "executive".
 22. On page 27, line 15, strike out the words "such advisory or executive" and insert the word "the".
 23. On page 27, line 17, strike out the words "ex officio members" and insert the word "chairman".
- This bill (H. R. 6932) was considered by the Committee on Agriculture of the House of Representatives and on July 8, 1946, reported same, and on July 15, 1946, the bill passed the House.
- A copy of said House Report (H. Rept. 2458), together with a copy of a letter from the Secretary of Agriculture, dated July 25, 1946, is attached hereto and made a part of this report.

[H. Rept. No. 2458, 79th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H. R. 6932) to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products, having considered the same, report thereon with a recommendation that it do pass, with the following amendments:

Page 4, line 19, add a period at the end of line 19.

Page 4, lines 20 and 21, strike out the words "and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish."

GENERAL STATEMENT

The hearings which this committee has held were based on H. R. 6548 and H. R. 6692 and committee prints thereof. As a result of the hearings these bills were amended and combined to form a clean bill, and H. R. 6932 was thereupon introduced. Title I of the clean bill (H. R. 6932) replaces H. R. 6548 and title II supersedes H. R. 6692.

TITLE I

Title I of this bill amends the act of June 29, 1935 (the Bankhead-Jones Act) which provided for research into basic laws and principles relating to agriculture, and the more complete endowment and support of land-grant colleges. The principal purposes of these amendments are to provide for a greatly augmented research program with a view of enabling agriculture to attain a position in research comparable to that of other great industries.

Title I of this bill broadens the authority of the Bankhead-Jones Act by providing for additional research on all types of farm problems, particularly those which have developed in recent years and which are anticipated in the future. It also authorizes research to encourage the discovery, introduction, and breeding of new and useful agricultural crops, plants, and animals, both foreign and native, with particular emphasis being placed on those crops and plants which may be adapted to utilization in the chemical and manufacturing industries.

The expanded research programs authorized under title I of this bill are to be effectuated in substance in the same manner as in the original act of 1935, as follows: (1) By making grants to State agricultural experiment stations (in Puerto Rico, the States, and Territories) for research on problems within State boundaries. Additional grants are authorized for research on regional problems common to two or more States, which programs are required to be approved by the Secretary of Agriculture and by the directors of State experiment stations; (2) by authorizing the Department of Agriculture to conduct further utilization research; and (3) by authorizing cooperative research projects on regional and national problems by the Department of Agriculture and State agricultural experiment stations.

The most significant difference in the means employed by title I of this bill, from that used in the act of June 29, 1935, to effectuate the research authorized, is the provision (sec. 10 (a)) which authorizes the Secretary of Agriculture, in connection with research on utilization and associated problems concerning the development and application of present, new, and extended uses of agricultural commodities and the dissemination of information relative thereto, to enter into contracts with public or private organizations or individuals, as he may find qualified to conduct the work, if he determines that it would be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. This provision will enable the Secretary of Agriculture to utilize the best facilities and personnel available for utilization research. Utilization research requires laboratories with various types of equipment and scientists with many different fields of specialization. These are available, to some extent, in the regional research and other laboratories of the Department of Agriculture and these facilities should be expanded as rapidly as possible and used to maximum capacity. However, the need for utilization research exceeds the capacity of these existing facilities and, in recognition of this fact, provision is made to augment departmental facilities by authorizing the Secretary of Agriculture to enter into contracts with public and private agencies and individuals. The authority to carry on utilization research through contracts is, however, subject to the over-all limitation that such research shall be conducted so far as practicable at laboratories of the Department of Agriculture. The authority to conduct research in connection with the application of present, new, and extended uses of agricultural products and the dissemination of information through the use of contracts with public or private organizations or individuals, will enable the Secretary of Agriculture to stimulate the rapid adoption of new uses and methods developed through research.

From the hearings on this bill it is apparent that agricultural research is lagging far behind research in other fields, and that additional research is urgently needed. This is easily demonstrated by comparing two fibers—cotton and rayon. Rayon, a product of the laboratory, has rapidly been overtaking and supplanting many of the former uses of cotton. It has made such enormous strides, it now seriously threatens to supplant completely some of the major outlets for cotton. This increased use and advancement of rayon over cotton is not due solely to any inherent qualities or advantages of rayon over cotton. In fact, the converse appears to be true, namely, that cotton inherently has many advantages over rayon. Rayon's advancement and expanded use has been due primarily to research—research which developed its qualities, and adapted it to an increasing number of new uses. The same kind of research is sorely needed for agricultural products. The principal deficiencies in agricultural research in the past have not been in the quality of such research, but in the lack of its scope and of the size and number of research projects under way in relation to the myriad problems confronting agriculture. It was shown, for example, that one company manufacturing rayon has 10 times more experimental spinning and weaving equipment than does the New Orleans

Regional Research Laboratory of the Department of Agriculture. The purpose is to discover ways of using rayon more advantageously in the machinery of the textile industry. It was also shown that the chemical industry as a whole spends approximately 2 percent of its gross revenues on research. An equivalent percentage of the gross revenues of the cotton farmer alone, if available for research, would amount to approximately \$26,000,000 annually. These, and many similar facts, have made it increasingly apparent that the future well-being of agriculture depends upon a greatly expanded research program.

TITLE II

The principal purposes of title II of this bill are to promote through research, study, experimentation, and through the development of cooperation among Federal and State agencies, farm organizations, and private industries, a scientific approach to the problems of marketing, transportation, and distribution of agricultural products, which has been utilized so successfully in connection with the production of agricultural products to the end that marketing methods and facilities may be improved; that distribution costs may be reduced; that the price spread between the producer and the consumer may be narrowed; that dietary and nutritional standards may be improved; that new and wider markets for American agricultural products may be developed; and that the full production of American farms may be disposed of usefully, economically, profitably, and in an orderly manner.

It is generally recognized and admitted that many of the major and most pressing problems in agriculture lie in the field of marketing and distribution. In the past, major emphasis has been placed on problems of production, and marketing problems to a large extent have been ignored. Unless intensive research is carried out to improve the processes of distributing agricultural products capable of being produced in abundance, many of the benefits and improvements developed through research in the field of production will be dissipated. Production is but half the problem. It is equally important, if agriculture and the Nation is to prosper, that there be an efficient marketing system to distribute in an economical and orderly manner that which is produced.

In connection with this committee's investigation of the marketing of farm products, pursuant to House Resolution 54, it has been developed that there is comparatively little information available on the costs, wastes, and inefficiencies of marketing and distributing agricultural products. Such information is fundamental in any thorough study of our marketing system. Without adequate information, no accurate analysis of the deficiencies in the distribution system can be made. Such information must be compiled if attention is to be focused on the weak spots and if ways and means for improvements are to be developed. The work involved in conducting studies, analyses, surveys, and other research and experimentations to improve the efficiency of handling agricultural products from the farm to the consumer, to reduce the price spread, to improve the methods of processing, preparing for market, packaging, handling, transporting, storing, marketing, distributing, and developing new outlets for agricultural products, is a continuing process which must be carried on constantly if genuine progress is to be made.

Under our economic system, most agricultural production is for market, and under such conditions tending to become specialized and concentrated in the most efficient producing areas. This specialization in production tends to separate production further and further from the consumer and to make the problems of marketing more complex. It is, therefore, more important than ever that all appropriate steps be taken to assist the privately operated system for marketing and distributing agricultural products to function more efficiently.

Title II of this bill is designed to provide the marketing research so vitally needed, and to give to marketing problems the same type of intensive study and attention that is given to the problems of agricultural production.

One of the significant sections of title II is section 205 (a). This section authorizes the Secretary of Agriculture, in carrying out the provisions of title II, to cooperate with other branches of the Government, State agencies, trade associations, private organizations, and individuals. It also authorizes the Secretary to enter into contracts and agreements with such agencies for the purposes of conducting marketing research or service work authorized by this title if he determines that the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. This provision, which is very similar to a provision con-

tained in title I, will enable the Secretary of Agriculture to utilize the best facilities and personnel available in carrying out the marketing research and services authorized under title II. There are many marketing problems which cannot be solved in a laboratory or facility of the Federal Government and in many instances the only laboratory available is the distribution system itself. Therefore, much of the information necessary for effective marketing research must be done by, or accomplished in cooperation with, industry. In recognition of this fact, provision is made whereby the Secretary of Agriculture may enter into contracts with public and private agencies and individuals. The authority to enter into such contracts or cooperative agreements are, however, subject to the limitation in the declaration of policy that in effectuating the purposes of this title maximum use is to be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations and of the facilities of the Federal and State Extension Services.

Another important provision of title II is subsection (b) of section 204. Under the provisions of this subsection the Secretary of Agriculture is authorized to make available from the funds authorized to be appropriated under section 204 such sums as he may deem appropriate for allotment to State departments of agriculture, State bureaus and departments of markets, State agricultural experiment stations and other appropriate State agencies for cooperative research projects authorized under this title. No allotments may be made under this subsection, however, unless the cooperating agency makes available from its own funds an amount equivalent to that received under an allotment. Allotments are directed to be made to the agency or agencies best equipped and qualified to conduct the specific research project to be undertaken and are required to be covered by cooperative agreements between the Secretary of Agriculture and the cooperating agency. Such agreements are to contain a provision prohibiting duplication or overlapping of work within the State or States cooperating. If duplication or overlapping occurs, authority is given to withhold unexpended balances on such projects. This section of the bill recognizes that there are frequently several State agencies engaged in marketing activities. It is designed to enable the Secretary of Agriculture to cooperate with the agency or agencies best qualified and at the same time tend to prevent unnecessary duplication of work. This bill, it is believed, will make possible the attainment of greater cooperative effort between the Federal Government and various State agencies and will provide a means of unifying their efforts in attacking major marketing problems.

Organization

One of the principal aims of title II is to facilitate administration of, and to increase the effectiveness of, the marketing work of the Department of Agriculture, and to give it the emphasis and attention that it should receive by providing for the integration of all the marketing functions of the Department, including marketing research, service, and regulatory activities into a single agency, whose primary responsibility shall be to conduct and administer programs designed to improve the marketing and distribution of agricultural products.

Testimony introduced at the hearings shows that such activities as the Department has developed to improve the private marketing system have been shifted about through a long series of departmental reorganizations, and at present the marketing research, service, and regulatory activities are spread among various bureaus, agencies, and branches of the Department. Such agencies all have numerous other duties in addition to their marketing functions. The agency in the Department of Agriculture that has a major share of the responsibilities for administering marketing services and improving distribution is also charged with the responsibility of production goals, support-price activities, activities of the Commodity Credit Corporation, purchase and sale activities, and other action programs, all of which are very important and necessarily make strong demands upon the time and energies of the Administrator. In view of the great importance of the marketing and distribution problems to the welfare of agriculture and of the Nation, and of the fact that so little effective work has been done in this field in comparison with the magnitude of the problem, this committee has reached the conclusion that research in marketing and the closely related marketing services and regulatory activities of the Department of Agriculture should be handled by an integrated administrative unit within the Department, responsible to the Secretary.

Such a unit should be staffed with qualified marketing experts and should be permitted to utilize all its energies and resources for promoting, improving, and developing a sound marketing system without its administrative officers being

burdened with other complicated problems and heavy responsibilities incident to other important functions of the Department of Agriculture, such as they are at present. This is the method which has been used to achieve notable success in the field of production research. This committee is of the opinion that under such an administrative organization great progress can rapidly be made in the field of marketing. Accordingly, the bill authorizes the Secretary of Agriculture to transfer and consolidate the marketing research, service, and regulatory activities.

TITLE III

This title makes provision for the establishment of a National Advisory Committee to consult with the Secretary of Agriculture and make recommendations relative to research and service work to be performed under the authority of this bill, and to assist in obtaining the cooperation of producers, farm organizations, industry groups, and governmental bodies in the furtherance of such research and service programs. The Committee directed to be established is broadly representative of all the various segments of agriculture. The full Committee is required to meet at least once each year and provision is made for the establishment of an executive committee which is required to meet at least once each quarter. It is believed that such Advisory Committee can be of great assistance in helping in the formulation of, and in obtaining cooperation among the various segments of agriculture and industry in the furtherance of research and service programs. Such a Committee can also be instrumental in bringing about the rapid adoption of improved methods and new uses developed through research.

ANALYSIS OF THE BILL

TITLE I

1. Section 1 of title I of the bill amends section 1 of the act of June 29, 1935 (the Bankhead-Jones Act), by broadening the scope of the research authorized therein to cover all types of farm problems, particularly those which have been developed in recent years. This includes, but is not limited to, research relating to improved methods of production; research into problems of human nutrition; research relating to the development of present new and extended uses and markets for agricultural commodities; research to encourage the discovery and introduction of new and useful agricultural crops, plants, and animals; research relating to more and profitable uses for the resources of agriculture; research relating to conservation and development of land, forest, and water resources for agricultural purposes; research relating to design, development, and more efficient use of farm homes, buildings, machinery; and research relating to any other laws and principles that may contribute to the establishment and maintenance of a permanent and effective agricultural industry.

2. Section 2 of title I of this bill adds three new sections numbered 9, 10, and 11 to the act of June 29, 1935, the substance of which are as follows:

Section 9. This section authorizes an appropriation for allotment to Puerto Rico, the States, and Territories for use by agricultural experiment stations. The authorization provides initially for an appropriation of \$2,500,000 to be increased annually thereafter to total \$20,000,000 by the fifth year. Such sums are available for carrying out the purposes of section 1 of this title, and for the purchase and rental of land, the acquisition, equipment, and maintenance of buildings, and for the dissemination of the results of research. Twenty percent of the sums authorized under this section are made available equally to Puerto Rico, each State, and Territory. Fifty-two percent of such sums are to be allotted on a formula based on the relationship of the rural and farm population of each State, Territory, and Puerto Rico to the total population. Each State, Territory, and Puerto Rico is required to make available for research a sum equivalent to that received under the foregoing methods of allotment. Twenty-five percent of the funds authorized to be appropriated under this section are to be allotted to the States for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State. There is no requirement that these funds be matched. Three percent of the funds authorized to be appropriated are made available to the Office of Experiment Stations of the Department of Agriculture for administration.

Section 10: This section authorizes an initial appropriation for the Department of Agriculture in the amount of \$3,000,000 to be increased each year thereafter by an equivalent amount to total \$15,000,000 in 5 years. The funds are to be

used in carrying out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities, and to disseminate information relative thereto. In carrying out such functions, the Secretary of Agriculture is authorized to enter into contracts with public and private organizations and individuals when, in his judgment, the work will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture, but the research is required to be conducted so far as practicable at laboratories of the Department.

Subsection (b) of section 10 authorizes an initial appropriation of \$1,500,000 to be increased by that amount each year to total \$6,000,000 in 4 years. Such funds are to be used for cooperative research conducted by the Department of Agriculture and State agricultural experiment stations and such other agencies as may be mutually agreeable, to effectuate the purposes of section 1, except research on utilization.

Section 11: This section earmarks 20 percent of the funds authorized to be appropriated under section 9 to Puerto Rico, the States, and Territories for research in the field of marketing. It also requires that cooperative research authorized under sections 9 (a) (3) and 10 (b) of this title be carried out under cooperative agreements between the Secretary of Agriculture and the cooperating agencies, and that such agreements contain appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Authority is given to withhold any unexpended balances in the event that duplication occurs. This section also requires that there be included in the annual report of the Department of Agriculture a complete statement of the research work being performed under contracts or cooperative agreements, showing the names of the cooperating agencies and the amounts expended, segregated by Federal and non-Federal funds.

TITLE II

Section 202: This section declares that a sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and the welfare of the Nation. It further declares it to be the policy of Congress to promote through research, study, experimentation, and cooperation among Federal and State agencies, farm organizations, and private industry a scientific approach to the problems of marketing, transportation, and distribution of agricultural products. In effectuating the purposes of this title, it is directed that maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations, and of the facilities of the Federal and State extension services.

Section 203: This section authorizes such research, study, investigation, experimentation, and the rendition of such marketing services as are necessary for the development and establishment of improved and more efficient methods of handling, storing, processing, preserving, protecting, marketing, and distributing agricultural products. The various subsections of section 203 set forth in considerable detail the various types of functions authorized to effectuate the purposes of title II of this bill.

Section 204: This section authorizes an appropriation to conduct the research and service work authorized under title II of this bill. The authorization provides initially for an appropriation of \$2,500,000 to be increased annually thereafter to total \$20,000,000 in 5 years. Such sums authorized to be appropriated are in addition to, and not in substitution for, any other funds appropriated or available to the Department of Agriculture for marketing research or service activities.

Subsection (b) of this section authorizes the Secretary of Agriculture to make available such sums as he may deem appropriate for allotment to State departments of agriculture, State bureaus and departments of markets, State agricultural experiment stations, and other appropriate State agencies for cooperative research projects in marketing to effectuate the purposes of title II of this bill. No allotment may be made to any State agency in excess of the amount which such State agency makes available out of its own funds for marketing research. The funds which State agencies are required to make available in order to qualify for an allotment under this section are in addition to any funds now available to such agencies for marketing research. Allotments authorized under this section are to be made to the agency or agencies best equipped and qualified to conduct the specific research project to be undertaken and all such allotments are required to be covered by cooperative agreements between the Secretary of Agriculture and the cooperating agency, and such agreements are required to

contain appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Authority is given to withhold any unexpended balances in the event that duplication occurs.

Section 205 (a): This section authorizes the Secretary of Agriculture in carrying out the provisions of title II of this bill, to cooperate with other branches of the Government, State agencies, trade and business associations, private organizations, or other persons engaged in the production, transportation, storing, processing, marketing, and distribution of agricultural products. It also authorizes the Secretary of Agriculture to enter into contracts and agreements with States, private firms, institutions, and individuals for the purpose of conducting research and service work, making and compiling reports and surveys, and carrying out other functions relative thereto when, in his judgment, the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture.

Subsection (b) of this section requires that there be included in the annual report of the Department of Agriculture a complete statement of research work being performed under contracts or cooperative agreements under this title, showing the names of the agencies cooperating, and the amounts expended, segregated by Federal and non-Federal funds.

Section 206: This section authorizes the Secretary of Agriculture, notwithstanding any other provision of law, to transfer, group, coordinate, and consolidate the work of all divisions, bureaus, and units in the Department of Agriculture primarily concerned with research, service or regulatory activities in connection with marketing, transportation, storage, processing, and distribution of agricultural products into a single administrative agency. It is not intended, however, that this authority shall extend to, or authorize the transfer of, the functions of the Farm Credit Administration authorized under the act of July 2, 1926, as amended.

Section 207: This section defines the term "agricultural products."

Section 208: This section authorizes such expenditures as may be necessary for the administration of title II of this bill.

TITLE III

Section 301 provides for the establishment of a National Advisory Committee to assist in the formulation of research and service programs and in the furtherance of such programs.

Section 302 authorizes the Secretary of Agriculture to establish appropriate committees to assist in effectuating specific research and service programs.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

[PUBLIC LAW 182, 74TH CONG.]

TITLE I

[SECTION 1. The Secretary of Agriculture is authorized and directed to conduct research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to the improvement of the quality of, and the development of new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and by products and manufactures thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes. Research authorized under this section shall be in addition to research provided for under existing law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish.]

SECTION 1. It is hereby declared to be the policy of the Congress to promote the efficient production and utilization of products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agriculture and rural life as indispensable to the maintenance of full employment and national prosperity. It is

also the intent of Congress to assure agriculture a position in research equal to that of industry which will aid in maintaining an equitable balance between agriculture and other sections of our economy. For the attainment of these objectives, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the laws and principles underlying the basic problems of agriculture in its broadest aspects, including but not limited to: Research relating to the improvement of the quality of, and the development of new and improved methods of the production, marketing, distribution, processing, and utilization of plant and animal commodities at all stages from the original producer through to the ultimate consumer; research into the problems of human nutrition and the nutritive value of agricultural commodities, with particular reference to their content of vitamins, minerals, amino and fatty acids, and all other constituents that may be found necessary for the health of the consumer and to the gains or losses in nutritive value that may take place at any stage in their production, distribution, processing, and preparation for use by the consumer; research relating to the development of present, new, and extended uses and markets for agricultural commodities and by products as food or in commerce, manufacture, or trade, both at home and abroad, with particular reference to those foods and fibers for which our capacity to produce exceeds or may exceed existing economic demand; research to encourage the discovery, introduction, and breeding of new and useful agricultural crops, plants, and animals, both foreign and native, particularly for those crops and plants which may be adapted to utilization in chemical and manufacturing industries; research relating to new and more profitable uses for our resources of agricultural manpower, soils, plants, animals, and equipment than those to which they are now, or may hereafter be, devoted; research relating to the conservation, development, and use of land, forest, and water resources for agricultural purposes; research relating to the design, development, and the more efficient and satisfactory use of farm buildings, farm homes, farm machinery, including the application of electricity and other forms of power; research relating to the diversification of farm enterprises, both as to the type of commodities produced, and as to the types of operations performed, on the individual farm; research relating to any other laws and principles that may contribute to the establishment and maintenance of a permanent and effective agricultural industry including such investigations as have for their purpose the development and improvement of the rural home and rural life, and the maximum contribution by agriculture to the welfare of the consumer and the maintenance of maximum employment and national prosperity; and such other researches or experiments bearing on the agricultural industry or on rural homes of the United States as may in each case be deemed advisable, having due regard to the varying conditions and needs of Puerto Rico, the respective States, and Territories. In effectuating the purposes of this section, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations and of the facilities of the Federal and State extension services. Research authorized under this section shall be in addition to research provided for under existing law (but both activities shall be coordinated so far as practicable).

* * * * *

SEC. 9. (a) In order to carry out further the purposes of section 2 of this title, there is hereby authorized to be appropriated in addition to all other appropriations authorized by this title the following sums:

(1) \$2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional \$2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

(3) An additional \$5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

(4) An additional \$5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) An additional \$5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

(6) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

The moneys appropriated in pursuance of this title shall also be available for the purchase and rental of land and the construction or acquisition of buildings necessary for conducting research provided for in this title, for the equipment and maintenance of such buildings, and for printing and disseminating the results of research. Sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available for agricultural experiment stations. The said agricultural experiment stations are authorized to plan and conduct any research provided for under this title in cooperation with each other and such other

appropriate agencies and individuals as may contribute to the solution of these problems and sums appropriated in pursuance of this title shall be available to meet the necessary expenses of such research.

Unexpended balances of allotments to experiment stations from appropriations made under this section during the first five fiscal years may remain available for expenditure by the same experiment stations at which the unexpended balances occurred for the purposes specified in section 1 and for the following periods: Unexpended balances of the first year's allotments, five years; of the second fiscal year's allotments, four years; of the third fiscal year's allotments, three years; of the fourth fiscal year's allotments, two years; and of the fifth fiscal year's allotments, one year; and any unexpended balances of allotments to any experiment stations from appropriations made under this section of any subsequent fiscal year shall be deducted from the next succeeding annual allotments to such experiment stations.

(b) Not less than 97 per centum of the sums appropriated for any fiscal year under this section shall be available for the purposes of section 2 to be allotted to Puerto Rico, each State and Territory as follows:

(1) Twenty per centum of the sums appropriated for any fiscal year under this section shall be allotted equally to Puerto Rico, each State and Territory: Provided, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico or the State or Territory makes available for such fiscal year out of its own funds, for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

(2) Not less than 52 per centum of the sums appropriated for any fiscal year under this section shall be allotted to Puerto Rico, each State and Territory as follows: One-half in an amount which bears the same ratio to the total amount to be allotted as the rural population of Puerto Rico or the State or Territory bears to the total rural population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census; and one-half in an amount which bears the same ratio to the total amount to be allotted as the farm population of Puerto Rico or the State or Territory bears to the total farm population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census: Provided, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico, or the State or Territory, makes available for such fiscal year out of its own funds for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

(3) Not more than 25 per centum of the sums appropriated for any fiscal year under this section shall be allotted to the States for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State. The funds available for such purposes shall be designated as the "Regional research fund, Office of Experiment Stations" and shall be used only for cooperative regional projects recommended by a committee of nine persons elected by and representing the directors of the State agricultural experiment stations and approved by the Secretary of Agriculture or his authorized representative. The necessary travel expense of said committee of nine in performance of their duties may be paid from the regional research fund, Office of Experiment Stations, provided for under this subsection.

(c) Three per centum of the sums appropriated for any fiscal year under this section shall be available to the Office of Experiment Stations of the United States Department of Agriculture for administration of research under this section, including participation in planning and coordinating the cooperative regional research.

SEC. 10. (a) In order to carry out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities and products thereof authorized by section 1 of this title, and to disseminate information relative thereto, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated the following sums:

(1) \$3,000,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional \$3,000,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

(3) An additional \$3,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

(4) An additional \$3,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) An additional \$3,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

The Secretary of Agriculture, in accordance with such regulations as he deems necessary, and when in his judgment the work to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture, may enter into contracts with such public or private organizations or individuals, as he may find qualified to carry on work under this section without regard to the provisions of section 3709, Revised Statutes, and with respect to such contracts he may make advance progress or other payments without regard to the provisions of section 3648, Revised Statutes. Contracts hereunder may be made for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. Research authorized under this subsection shall be conducted so far as practicable at laboratories of the Department of Agriculture. Projects conducted under contract with public and private agencies shall be supplemental to and coordinated with research of these laboratories. Any contracts made pursuant to this authority shall contain requirements making the results of research and investigations available to the public through dedication, assignment to the Government, or such other means as the Secretary shall determine.

(b) In order to carry out further the purposes of section 1, other than research on utilization of agricultural commodities and the products thereof, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated for cooperative research with the State agricultural experiment stations and such other appropriate agencies as may be mutually agreeable to the Department of Agriculture and the experiment stations concerned, the following sums:

(1) \$1,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional \$1,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

(3) An additional \$1,500,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

(4) An additional \$1,500,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1951, and thereafter, as the Congress may deem necessary.

(c) The Secretary may incur necessary administrative expenses not to exceed 3 per centum of the amount appropriated in any fiscal year in carrying out this section, including the specific objects of expense enumerated in section 3 of this title.

(d) The "Special research fund, Department of Agriculture", provided by section 4 of this title, shall continue to be available solely for research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to the improvement of the quality of, and the development of, new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and byproducts and manufactures thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes. Such research shall be in addition to research provided for under other law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary of Agriculture may designate or establish.

SEC. 11. Notwithstanding any other provision of this title, (1) not less than 20 per centum of the funds authorized to be appropriated under section 9 (a) shall be used by State agricultural experiment stations for conducting marketing research projects approved by the Department of Agriculture, and (2) cooperative research projects provided for under sections 9 (a) (3) and 10 (b) shall be carried out under

cooperative agreements between the Secretary of Agriculture and the cooperating agencies and shall include appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Should duplication or overlapping occur subsequent to approval of a cooperative research project, the Secretary of Agriculture is authorized and directed to withhold unexpended balances on such projects notwithstanding the prior approval thereof. The Secretary of Agriculture shall include in his annual report to Congress a complete statement of research work being performed under contracts or cooperative agreements under this title, showing the names of the agencies cooperating and the amounts expended thereon, segregated by Federal and non-Federal funds.

JULY 25, 1946.

HON. ELMER THOMAS,
*Chairman, Committee on Agriculture and Forestry,
 United States Senate.*

DEAR SENATOR THOMAS: This Department is greatly interested in and has carefully reviewed H. R. 6932 "to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing of agricultural products" which is now pending before your committee.

The proposed legislation would provide for carrying on research and service which will be of very great benefit to farmers and the public. It would authorize further research and service in cooperation with State agencies and provide for entering into contracts with public or private organizations to carry on research looking toward the development of new or extended uses of agricultural commodities. The Secretary would be authorized to assign the work within the Department to most effectively carry out the various phases of the work. The Department has expressed its desire for additional research activities and has voiced in testimony before the House Agriculture Committee its general approval of the provisions of this bill.

I would like to point out the desirability of the passage of the proposed legislation before the Congress adjourns. Under the provisions of the bill, it would be necessary for the funds allocated to the States to be matched by State funds and under title II by funds which are in addition to those presently authorized. Many of the State legislatures meet early in 1947 and will not meet again until 1949. To delay passage of the bill until the next session of Congress would mean delaying the beginning of work until well into 1949. We hope it will be possible to complete action on the measure before Congress adjourns.

This letter has not been submitted to the Bureau of the Budget for advice as to its relationship to the program of the President other than that contained in our report to the Chairman, House Committee on Agriculture, on H. R. 6548.

Sincerely yours,

CLINTON P. ANDERSON,
Secretary of Agriculture.

○

79TH CONGRESS
2D SESSION

[Report No. 1843]

[Omit the part struck through and insert the part printed in italic]

4 Title I of the Act entitled "An Act to provide for
5 research into basic laws and principles relating to agri-
6 culture and to provide for the further development of cooper-
7 ative agricultural extension work and the more complete
8 endowment and support of land-grant colleges", approved

1 June 29, 1935 (the Bankhead-Jones Act), is amended as
2 follows:

3 (1) By substituting for section 1, title I, the following
4 section:

5 "SECTION 1. It is hereby declared to be the policy of the
6 Congress to promote the efficient production and utilization
7 of products of the soil as essential to the health and wel-
8 fare of our people and to promote a sound and prosperous ag-
9 riculture and rural life as indispensable to the maintenance of
10 ~~full~~ *maximum* employment and national prosperity. It is also
11 the intent of Congress to assure agriculture a position in re-
12 search equal to that of industry which will aid in maintaining
13 an equitable balance between agriculture and other sections of
14 our economy. For the attainment of these objectives, the
15 Secretary of Agriculture is authorized and directed to con-
16 duct and to stimulate research into the laws and principles
17 underlying the basic problems of agriculture in its broadest
18 aspects, including but not limited to: Research relating to
19 the improvement of the quality of, and the development of
20 new and improved methods of the production, marketing,
21 distribution, processing, and utilization of plant and animal
22 commodities at all stages from the original producer through
23 to the ultimate consumer; research into the problems of
24 human nutrition and the nutritive value of agricultural
25 commodities, with particular reference to their content of

1 vitamins, minerals, amino and fatty acids, and all other con-
2 stituents that may be found necessary for the health of the
3 consumer and to the gains or losses in nutritive value that
4 may take place at any stage in their production, distribution,
5 processing, and preparation for use by the consumer; research
6 relating to the development of present, new, and extended
7 uses and markets for agricultural commodities and byproducts
8 as food or in commerce, manufacture, or trade, both at home
9 and abroad, with particular reference to those foods and fibers
10 for which our capacity to produce exceeds or may exceed
11 existing economic demand; research to encourage the dis-
12 covery, introduction, and breeding of new and useful agri-
13 cultural crops, plants, and animals, both foreign and native,
14 particularly for those crops and plants which may be adapted
15 to utilization in chemical and manufacturing industries; re-
16 search relating to new and more profitable uses for our
17 resources of agricultural manpower, soils, plants, animals,
18 and equipment than those to which they are now, or may
19 hereafter be, devoted; research relating to the conservation
20 development, and use of land, forest, and water resources for
21 agricultural purposes; research relating to the design, develop-
22 ment, and the more efficient and satisfactory use of farm
23 buildings, farm homes, farm machinery, including the appli-
24 cation of electricity and other forms of power; research re-
25 lating to the diversification of farm enterprises, both as to

1 the type of commodities produced, and as to the types of
2 operations performed, on the individual farm; research re-
3 lating to any other laws and principles that may contribute
4 to the establishment and maintenance of a permanent and
5 effective agricultural industry including such investigations
6 as have for their purpose the development and improvement
7 of the rural home and rural life, and the maximum contribu-
8 tion by agriculture to the welfare of the consumer and the
9 maintenance of maximum employment and national pros-
10 perity; and such other researches or experiments bearing on
11 the agricultural industry or on rural homes of the United
12 States as may in each case be deemed advisable, having
13 due regard to the varying conditions and needs of Puerto
14 Rico, the respective States, and Territories. In effectuating
15 the purposes of this section, maximum use shall be made
16 of existing research facilities owned or controlled by the
17 Federal Government or by State agricultural experiment
18 stations and of the facilities of the Federal and State exten-
19 sion services. Research authorized under this section shall
20 be in addition to research provided for under existing law
21 (but both activities shall be coordinated so far as
22 practicable).”

23 (2) By adding at the end thereof the following new
24 sections:

25 “SEC. 9. (a) In order to carry out further the purposes

1 of section 2 of this title, there is hereby authorized to be
2 appropriated in addition to all other appropriations authorized
3 by this title the following sums:

4 “(1) \$2,500,000 for the fiscal year ending June
5 30, 1947, and each subsequent fiscal year.

6 “(2) An additional \$2,500,000 for the fiscal
7 year ending June 30, 1948, and each subsequent fiscal
8 year.

9 “(3) An additional \$5,000,000 for the fiscal year
10 ending June 30, 1949, and each subsequent fiscal year.

11 “(4) An additional \$5,000,000 for the fiscal year
12 ending June 30, 1950, and each subsequent fiscal year.

13 “(5) An additional \$5,000,000 for the fiscal year
14 ending June 30, 1951, and each subsequent fiscal year.

15 “(6) In addition to the foregoing such additional
16 funds beginning with the fiscal year ending June 30,
17 1952, and thereafter, as the Congress may deem neces-
18 sary.

19 “The moneys appropriated in pursuance of this title
20 shall also be available for the purchase and rental of land
21 and the construction or acquisition of buildings necessary for
22 conducting research provided for in this title, for the equip-
23 ment and maintenance of such buildings, and for printing and
24 disseminating the results of research. Sums appropriated
25 in pursuance of this title shall be in addition to, and not in

1 substitution for, sums appropriated or otherwise made avail-
2 able for agricultural experiment stations. The said agricul-
3 tural experiment stations are authorized to plan and conduct
4 any research provided for under this title in cooperation
5 with each other and such other appropriate agencies and
6 individuals as may contribute to the solution of these problems
7 and sums appropriated in pursuance of this title shall be
8 available to meet the necessary expenses of such research.

9 “Unexpended balances of allotments to experiment sta-
10 tions from appropriations made under this section during
11 the first five fiscal years may remain available for expendi-
12 ture by the same experiment stations at which the unex-
13 pended balances occurred for the purposes specified in sec-
14 tion 1 and for the following periods: Unexpended balances
15 of the first year's allotments, five years; of the second fiscal
16 year's allotments, four years; of the third fiscal year's
17 allotments, three years; of the fourth fiscal year's allotments,
18 two years; and of the fifth fiscal year's allotments, one year;
19 and any unexpended balances of allotments to any experi-
20 ment stations from appropriations made under this section
21 of any subsequent fiscal year shall be deducted from the
22 next succeeding annual allotments to such experiment sta-
23 tions.

24 “(b) Not less than 97 per centum of the sums appro-
25 priated for any fiscal year under this section shall be avail-

1 able for the purposes of section 2 to be allotted to Puerto
2 Rico, each State and Territory as follows:

3 “(1) Twenty per centum of the sums appropriated
4 for any fiscal year under this section shall be allotted
5 equally to Puerto Rico, each State and Territory: *Pro-*
6 *vided*, That no allotment and no payment under any
7 allotment shall be made for any fiscal year in excess
8 of the amount which Puerto Rico or the State or Terri-
9 tory makes available for such fiscal year out of its own
10 funds, for research and for the establishment and mainte-
11 nance of necessary facilities for the prosecution of such
12 research. If Puerto Rico or any State or Territory fails
13 to make available for such purposes for any fiscal year
14 a sum equal to the amount to which it may be entitled
15 for such year, the remainder of such amount shall be
16 withheld by the Secretary.

17 “(2) Not less than 52 per centum of the sums ap-
18 propriated for any fiscal year under this section shall be
19 allotted to Puerto Rico, each State and Territory as fol-
20 lows: One-half in an amount which bears the same ratio
21 to the total amount to be allotted as the rural population
22 of Puerto Rico or the State or Territory bears to the
23 total rural population of Puerto Rico and all the States
24 and Territories as determined by the last preceding
25 decennial census; and one-half in an amount which

1 bears the same ratio to the total amount to be allotted
2 as the farm population of Puerto Rico or the State or
3 Territory bears to the total farm population of Puerto
4 Rico and all the States and Territories as determined by
5 the last preceding decennial census: *Provided*, That no
6 allotment and no payment under any allotment shall be
7 made for any fiscal year in excess of the amount which
8 Puerto Rico, or the State or Territory makes available
9 for such fiscal year out of its own funds for research and
10 for the establishment and maintenance of necessary facil-
11 ities for the prosecution of such research. If Puerto
12 Rico or any State or Territory fails to make available
13 for such purposes for any fiscal year a sum equal to the
14 amount to which it may be entitled for such year, the
15 remainder of such amount shall be withheld by the
16 Secretary.

17 “(3) Not more than 25 per centum of the sums
18 appropriated for any fiscal year under this section shall
19 be allotted to the States for cooperative research in
20 which two or more State agricultural experiment sta-
21 tions are cooperating to solve problems that concern
22 the agriculture of more than one State. The funds avail-
23 able for such purposes shall be designated as the
24 ‘Regional research fund, Office of Experiment Sta-
25 tions’ and shall be used only for cooperative regional

1 projects recommended by a committee of nine persons
2 elected by and representing the directors of the State
3 agricultural experiment stations and approved by the
4 Secretary of Agriculture or his authorized representa-
5 tive. The necessary travel expense of said committee
6 of nine in performance of their duties may be paid
7 from the regional research fund, Office of Experiment
8 Stations, provided for under this subsection.

9 “(c) Three per centum of the sums appropriated for
10 any fiscal year under this section shall be available to the
11 Office of Experiment Stations of the United States De-
12 partment of Agriculture for administration of research under
13 this section, including participation in planning and coordi-
14 nating the cooperative regional research.”

15 “SEC. 10. (a) In order to carry out further research
16 on utilization and associated problems in connection with
17 the development and application of present, new, and
18 extended uses of agricultural commodities and products
19 thereof authorized by section 1 of this title, and to dissem-
20 inate information relative thereto, and in addition to all other
21 appropriations authorized by this title, there is hereby
22 authorized to be appropriated the following sums:

23 “(1) \$3,000,000 for the fiscal year ending June
24 30, 1947, and each subsequent fiscal year.

1 “(2) An additional \$3,000,000 for the fiscal year
2 ending June 30, 1948, and each subsequent fiscal year.

3 “(3) An additional \$3,000,000 for the fiscal year
4 ending June 30, 1949, and each subsequent fiscal year.

5 “(4) An additional \$3,000,000 for the fiscal year
6 ending June 30, 1950, and each subsequent fiscal year.

7 “(5) An additional \$3,000,000 for the fiscal year
8 ending June 30, 1951, and each subsequent fiscal year.

9 “(6) In addition to the foregoing, such additional
10 funds beginning with the fiscal year ending June 30,
11 1952, and thereafter, as the Congress may deem neces-
12 sary.

13 “The Secretary of Agriculture, in accordance with such
14 regulations as he deems necessary, and when in his judg-
15 ment the work to be performed will be carried out
16 more effectively, more rapidly, or at less cost than if per-
17 formed by the Department of Agriculture, may enter into
18 contracts with such public or private organizations or
19 individuals as he may find qualified to carry on work
20 under this section without regard to the provisions of section
21 3709, Revised Statutes, and with respect to such con-
22 tracts he may make advance progress or other payments
23 without regard to the provisions of section 3648, Revised
24 Statutes. Contracts hereunder may be made for work to
25 continue not more than four years from the date of any such

1 contract. Notwithstanding the provisions of section 5 of
2 the Act of June 20, 1874, as amended (31 U. S. C. 713),
3 any unexpended balances of appropriations properly obli-
4 gated by contracting with an organization as provided in this
5 subsection may remain upon the books of the Treasury for
6 not more than five fiscal years before being carried to the
7 surplus fund and covered into the Treasury. Research au-
8 thorized under this subsection shall be conducted so far as
9 practicable at laboratories of the Department of Agriculture.
10 Projects conducted under contract with public and private
11 agencies shall be supplemental to and coordinated with
12 research of these laboratories. Any contracts made pursuant
13 to this authority shall contain requirements making the
14 results of research and investigations available to the public
15 through dedication, assignment to the Government, or such
16 other means as the Secretary shall determine.

17 “(b) In order to carry out further the purposes of
18 section 1, other than research on utilization of agricultural
19 commodities and the products thereof, and in addition to all
20 other appropriations authorized by this title, there is hereby
21 authorized to be appropriated for cooperative research with
22 the State agricultural experiment stations and such other
23 appropriate agencies as may be mutually agreeable to the
24 Department of Agriculture and the experiment stations con-
25 cerned, the following sums:

1 “(1) \$1,500,000 for the fiscal year ending June
2 30, 1947, and each subsequent fiscal year.

3 “(2) An additional \$1,500,000 for the fiscal year
4 ending June 30, 1948, and each subsequent fiscal year.

5 “(3) An additional \$1,500,000 for the fiscal year
6 ending June 30, 1949, and each subsequent fiscal year.

7 “(4) An additional \$1,500,000 for the fiscal year
8 ending June 30, 1950, and each subsequent fiscal year.

9 “(5) In addition to the foregoing such additional
10 funds beginning with the fiscal year ending June 30,
11 1951, and thereafter, as the Congress may deem neces-
12 sary.

13 “(c) The Secretary may incur necessary administrative
14 expenses not to exceed 3 per centum of the amount appro-
15 priated in any fiscal year in carrying out this section, in-
16 cluding the specific objects of expense enumerated in section
17 3 of this title.

18 “(d) The ‘Special research fund, Department of Agri-
19 culture’, provided by section 4 of this title, shall continue
20 to be available solely for research into laws and principles
21 underlying basic problems of agriculture in its broadest
22 aspects; research relating to the improvement of the quality
23 of, and the development of, new and improved methods of
24 production of, distribution of, and new and extended uses
25 and markets for, agricultural commodities and byproducts

1 and manufacturers thereof; and research relating to the con-
2 servation, development, and use of land and water resources
3 for agricultural purposes. Such research shall be in addi-
4 tion to research provided for under other law (but both
5 activities shall be coordinated so far as practicable) and
6 shall be conducted by such agencies of the Department of
7 Agriculture as the Secretary of Agriculture may designate
8 or establish.

9 “SEC. 11. Notwithstanding any other provision of this
10 title, (1) not less than 20 per centum of the funds authorized
11 to be appropriated under section 9 (a) shall be used by
12 State agricultural experiment stations for conducting mar-
13 keting research projects approved by the Department of
14 Agriculture, and (2) cooperative research projects provided
15 for under sections 9 ~~(a)~~ (b) (3) and 10 (b) shall be carried
16 out under cooperative agreements between the Secretary
17 of Agriculture and the cooperating agencies and shall include
18 appropriate provisions for preventing duplication or over-
19 lapping of work within the State or States cooperating.
20 Should duplication or overlapping occur subsequent to
21 approval of a cooperative research project, the Secretary of
22 Agriculture is authorized and directed to withhold unex-
23 pended balances on such projects notwithstanding the prior
24 approval thereof. The Secretary of Agriculture shall in-

1 clude in his annual report to Congress a complete statement
2 of research work being performed under contracts or
3 cooperative agreements under this title, showing the names
4 of the agencies cooperating and the amounts expended
5 thereon, segregated by Federal and non-Federal funds.”

6 TITLE II

7 This title may be cited as the “Agricultural Marketing
8 Act of 1946”.

9 SEC. 202. The Congress hereby declares that a sound,
10 efficient, and privately operated system for distributing and
11 marketing agricultural products is essential to a prosperous
12 agriculture and is indispensable to the maintenance of full
13 employment and to the welfare, prosperity, and health of the
14 Nation. It is further declared to be the policy of Congress to
15 promote through research, study, experimentation, and
16 through cooperation among Federal and State agencies, farm
17 organizations, and private industry a scientific approach to
18 the problems of marketing, transportation, and distribution
19 of agricultural products similar to the scientific methods
20 which have been utilized so successfully during the past
21 eighty-four years in connection with the production of agri-
22 cultural products so that such products capable of being
23 produced in abundance may be marketed in an orderly man-
24 ner and efficiently distributed. In order to attain these objec-
25 tives, it is the intent of Congress to provide for (1)

1 continuous research to improve the marketing, handling,
2 storage, processing, transportation, and distribution of agri-
3 cultural products; (2) cooperation among Federal and
4 State agencies, producers, industry organizations, and
5 others in the development and effectuation of research
6 and marketing programs to improve the distribution
7 processes; (3) an integrated administration of all laws
8 enacted by Congress to aid the distribution of agricultural
9 products through research, market aids and services, and
10 regulatory activities, to the end that marketing methods and
11 facilities may be improved, that distribution costs may be
12 reduced and the price spread between the producer and
13 consumer may be narrowed, that dietary and nutritional
14 standards may be improved, that new and wider markets
15 for American agricultural products may be developed, both
16 in the United States and in other countries, with a view to
17 making it possible for the full production of American farms
18 to be disposed of usefully, economically, profitably, and
19 in an orderly manner. In effectuating the purposes of this
20 title, maximum use shall be made of existing research
21 facilities owned or controlled by the Federal Government
22 or by State agricultural experiment stations and of the
23 facilities of the Federal and State extension services. *To*
24 *the maximum extent practicable, marketing research work*
25 *done hereunder in cooperation with the States shall be done*

1 *in cooperation with the State agricultural experiment stations*
2 *and such other appropriate agencies as may be mutually*
3 *agreeable to the United States Department of Agriculture*
4 *and the experiment stations concerned. Marketing educa-*
5 *tional and demonstrational work done hereunder in coopera-*
6 *tion with the States shall be done in cooperation with the*
7 *State agricultural extension service and such other appro-*
8 *priate agencies as may be mutually agreeable to the United*
9 *States Department of Agriculture and the State extension*
10 *service. Information, inspection, regulatory work, and other*
11 *marketing services done hereunder in cooperation with the*
12 *State agencies shall be done in cooperation with the State*
13 *departments of agriculture, State bureaus and departments*
14 *of markets, and such other appropriate State agencies as may*
15 *be mutually agreeable to the United States Department of*
16 *Agriculture and the State departments of agriculture or*
17 *State bureaus and departments of markets.*

18 SEC. 203. The Secretary of Agriculture is directed and
19 authorized:

20 (a) To conduct, assist, and foster research, investigation,
21 and experimentation to determine the best methods of proc-
22 essing, preparation for market, packaging, handling, trans-
23 porting, storing, distributing, and marketing agricultural prod-
24 ucts: *Provided*, That the results of such research shall be
25 made available to the public for the purpose of expanding

1 the use of American agricultural products in such manner
2 as the Secretary of Agriculture may determine.

3 (b) To determine costs of marketing agricultural prod-
4 ucts in their various forms and through the various channels
5 and to foster and assist in the development and establish-
6 ment of more efficient marketing methods (including analyses
7 of methods and proposed methods), practices, and facilities,
8 for the purpose of bringing about more efficient and orderly
9 marketing, and reducing the price spread between the
10 producer and the consumer.

11 (c) To develop and improve standards of quality, con-
12 dition, quantity, grade, and packaging, and recommend
13 and demonstrate such standards in order to encourage uni-
14 formity and consistency in commercial practices.

15 (d) To conduct, assist, foster, and direct studies and
16 informational programs designed to eliminate artificial bar-
17 riers to the free movement of agricultural products.

18 (e) To foster and assist in the development of new
19 *or expanded* markets (*domestic and foreign*) and new *and*
20 *expanded* uses and in the moving of larger quantities of
21 agricultural products through the private marketing system
22 to consumers in the United States and ~~elsewhere~~ *abroad*.

23 (f) To conduct and cooperate in consumer education
24 for the more effective utilization and greater consumption
25 of agricultural products: *Provided*, That no money appro-

1 priated under the authority of this Act shall be used to pay
2 for newspaper or periodical advertising space or radio time
3 in carrying out the purposes of this section and section
4 203 (e).

5 (g) To collect and disseminate marketing information,
6 including adequate outlook information on a market-area
7 basis, for the purpose of anticipating and meeting consumer
8 requirements, aiding in the maintenance of farm income,
9 and bringing about a balance between production and utiliza-
10 tion of agricultural products.

11 (h) To inspect, certify, and identify the class, quality,
12 quantity, and condition of agricultural products when shipped
13 or received in interstate commerce, under such rules and
14 regulations as the Secretary of Agriculture may prescribe, in-
15 cluding assessment and collection of such fees as will be
16 reasonable and as nearly as may be to cover the cost of the
17 service rendered, to the end that agricultural products may be
18 marketed to the best advantage, that trading may be facili-
19 tated, and that consumers may be able to obtain the quality
20 product which they desire, except that no person shall be
21 required to use the service authorized by this subsection.
22 Any official certificate issued under the authority of this
23 subsection shall be received by all officers and all courts of
24 the United States as prima facie evidence of the truth of the
25 statements therein contained.

1 (i) To determine the needs and develop or assist in the
2 development of plans for efficient facilities and methods of
3 operating such facilities for the proper assembly, processing,
4 transportation, storage, distribution, and handling of agri-
5 cultural products.

6 (j) To assist in improving transportation services and
7 facilities and in obtaining equitable and reasonable transporta-
8 tion rates and services and adequate transportation facilities
9 for agricultural products and farm supplies by making com-
10 plaint or petition to the Interstate Commerce Commission,
11 the Maritime Commission, the Civil Aeronautics Board, or
12 other Federal or State transportation regulatory body with
13 respect to rates, charges, tariffs, practices, and services, or
14 by working directly with individual carriers or groups of
15 carriers.

16 (k) To collect, tabulate, and disseminate statistics on
17 marketing agricultural products, including, but not restricted
18 to statistics on market supplies, storage stocks, quantity,
19 quality, and condition of such products in various positions
20 in the marketing channel, utilization of such products, and
21 shipments and unloads thereof.

22 (l) To develop and promulgate, for the use and at the
23 request of any Federal agency or State, procurement stand-
24 ards and specifications for agricultural products, and submit

1 such standards and specifications to such agency or State for
2 use or adoption for procurement purposes.

3 (m) To conduct, assist, encourage, and promote re-
4 search, investigation, and experimentation to determine the
5 most efficient and practical means, methods, and processes
6 for the handling, storing, preserving, protecting, processing,
7 and distributing of agricultural commodities to the end that
8 such commodities may be marketed in an orderly manner
9 and to the best interest of the producers thereof.

10 (n) To conduct such other research and services and
11 to perform such other activities as will facilitate the market-
12 ing, distribution, processing, and utilization of agricultural
13 products through commercial channels.

14 SEC. 204. (a) In order to conduct research and service
15 work in connection with the preparation for market, process-
16 ing, packaging, handling, storing, transporting, distributing,
17 and marketing of agricultural products as authorized by this
18 title, there is hereby authorized to be appropriated the follow-
19 ing sums:

20 (1) \$2,500,000 for the fiscal year ending June 30,
21 1947, and each subsequent fiscal year.

22 (2) An additional \$2,500,000 for the fiscal year
23 ending June 30, 1948, and each subsequent fiscal year.

24 (3) An additional \$5,000,000 for the fiscal year
25 ending June 30, 1949, and each subsequent fiscal year.

1 (4) An additional \$5,000,000 for the fiscal year
2 ending June 30, 1950, and each subsequent fiscal year.

3 (5) An additional \$5,000,000 for the fiscal year
4 ending June 30, 1951, and each subsequent fiscal year.

5 (6) In addition to the foregoing, such additional
6 funds beginning with the fiscal year ending June 30,
7 1952, and thereafter, as the Congress may deem
8 necessary.

9 Such sums appropriated in pursuance of this title shall be
10 in addition to, and not in substitution for, sums appropriated
11 or otherwise made available to the Department of Agri-
12 culture.

13 (b) The Secretary of Agriculture is authorized to make
14 available from such funds such sums as he may deem appro-
15 priate for allotment to State departments of agriculture, State
16 bureaus and departments of markets, State agricultural experi-
17 ment stations, and other appropriate State agencies for co-
18 operative ~~research~~ projects in marketing *service and in*
19 *marketing research* to effectuate the purposes of title II of
20 this Act: *Provided*, That no such allotment and no payment
21 under any such allotment shall be made for any fiscal year
22 to any State agency in excess of the amount which such State
23 agency makes available out of its own funds for such research.
24 The funds which State agencies are required to make avail-
25 able in order to qualify for such an allotment shall be in

1 addition to any funds now available to such agencies for
2 marketing *services and for marketing* research. The allot-
3 ments authorized under this section shall be made to the
4 agency or agencies best equipped and qualified to conduct the
5 specific ~~research~~ project to be undertaken. Such allotments
6 shall be covered by cooperative agreements between the Sec-
7 retary of Agriculture and the cooperating agency and shall
8 include appropriate provisions for preventing duplication
9 or overlapping of work within the State or States cooperating.
10 Should duplication or overlapping occur subsequent to ap-
11 proval of a cooperative ~~research~~ project or allotment of
12 funds, the Secretary of Agriculture is authorized and directed
13 to withhold unexpended balances on such projects not-
14 withstanding the prior approval thereof.

15 SEC. 205. (a) In carrying out the provisions of title II
16 of this Act, the Secretary of Agriculture may cooperate
17 with other branches of the Government, State agencies,
18 private research organizations, purchasing and consuming
19 organizations, boards of trade, chambers of commerce, other
20 associations of business or trade organizations, transporta-
21 tion and storage agencies and organizations, or other persons
22 or corporations engaged in the production, transportation,
23 storing, processing, marketing, and distribution of agricultural
24 products whether operating in one or more jurisdictions. The
25 Secretary of Agriculture shall have authority to enter into

1 contracts and agreements under the terms of regulations pro-
2 mulgated by him with States and agencies of States, private
3 firms, institutions, and individuals for the purpose of conduct-
4 ing research and service work, making and compiling reports
5 and surveys, and carrying out other functions relating thereto
6 when in his judgment the services or functions to be per-
7 formed will be carried out more effectively, more rapidly, or
8 at less cost than if performed by the Department of Agri-
9 culture. Contracts hereunder may be made for work to
10 be performed within a period not more than four years from
11 the date of any such contract, and advance, progress, or other
12 payments may be made. The provisions of section 3648
13 (31 U. S. C., sec. 529) and section 3709 (41 U. S. C.,
14 sec. 5) of the Revised Statutes shall not be applicable to
15 contracts or agreements made under the authority of this
16 section. Any unexpended balances of appropriations obli-
17 gated by contracts as authorized by this section may, not-
18 withstanding the provisions of section 5 of the Act of June
19 20, 1874, as amended (31 U. S. C., sec. 713), remain
20 upon the books of the Treasury for not more than five
21 fiscal years before being carried to the surplus fund and
22 covered into the Treasury. Any contract made pursuant to
23 this section shall contain requirements making the result
24 of such research and investigations available to the public

1 by such means as the Secretary of Agriculture shall deter-
2 mine.

3 (b) The Secretary of Agriculture shall promulgate such
4 orders, rules, and regulations as he deems necessary to carry
5 out the provisions of this title. In his annual report to
6 Congress, he shall include a complete statement of research
7 work being performed under contracts or cooperative agree-
8 ments under this title, showing the names of the agencies
9 cooperating and the amounts expended thereon, segregated
10 by Federal and non-Federal funds.

11 SEC. 206. In order to facilitate administration and to
12 increase the effectiveness of the marketing research, service,
13 and regulatory work of the Department of Agriculture to
14 the fullest extent practicable, the Secretary of Agriculture
15 is authorized, notwithstanding any other provisions of law,
16 to transfer, group, coordinate, and consolidate the functions,
17 powers, duties, and authorities of each and every agency,
18 division, bureau, service, section, or other administrative
19 unit in the Department of Agriculture primarily concerned
20 with research, service, or regulatory activities in connection
21 with the marketing, transportation, storage, processing, dis-
22 tribution of, or service or regulatory activities in connection
23 with, the utilization of, agricultural products, into a single
24 administrative agency. In making such changes as may be
25 necessary to carry out effectively the purposes of this title,

1 the records, property, personnel, and funds of such agencies,
2 divisions, bureaus, services, sections, or other administrative
3 units in the Department of Agriculture affected thereby are
4 authorized to be transferred to and used by such administra-
5 tive agency to which the transfer may be made, but such
6 unexpended balances of appropriations so transferred shall
7 be used only for the purposes for which such appropriations
8 were made.

9 SEC. 207. When used in this title, the term "agricul-
10 tural products" includes agricultural, horticultural, viticul-
11 tural, and dairy products, livestock and poultry, bees, forest
12 products, *fish and shellfish*, and any products thereof, includ-
13 ing processed and manufactured products, and any and all
14 products raised or produced on farms and any processed
15 or manufactured product thereof.

16 SEC. 208. The Secretary of Agriculture shall have the
17 power to appoint, remove, and fix, in accordance with exist-
18 ing law, the compensation of such officers and employees,
19 and to make such expenditures as he deems necessary,
20 including expenditures for rent outside the District of
21 Columbia, travel, supplies, books, equipment, and such
22 other expenditures as may be necessary to the administra-
23 tion of this title: *Provided*, That the Secretary of Agriculture
24 may appoint and fix the compensation of any technically
25 qualified person, firm, or organization by contract or other-

1 wise on a temporary basis and for a term not to exceed
2 six months in any fiscal year to perform research, inspection,
3 classification, technical, or other special services, without
4 regard to the civil-service laws or the Classification Act of
5 1923, as amended.

6 TITLE III

7 SEC. 301. In order to aid in implementing the research
8 and service work authorized under titles I and II of this
9 Act, and to assist in obtaining the fullest cooperation among
10 Federal and State agencies, producers, farm organizations,
11 and private industry, in the development of and in effectuat-
12 ing such research and service programs, and in order to
13 secure the greatest benefit from the expenditure of funds,
14 the Secretary of Agriculture shall establish a national ad-
15 visory committee. The functions of such advisory committee
16 shall be to consult with the Secretary of Agriculture and
17 other appropriate officials of the Department of Agriculture,
18 to make recommendations relative to research and service
19 work authorized by this Act, and to assist in obtaining the
20 cooperation of producers, farm organizations, industry groups,
21 and Federal and State agencies in the furtherance of such
22 research and service programs. The membership of such
23 advisory committee shall consist of the following: One per-
24 son from each of the general national farm organizations;

1 one person from the National Association of Commissioners,
2 Secretaries, and Directors of Agriculture; one person from
3 the National Association of Marketing Officials; one per-
4 son to represent State agricultural experiment stations;
5 one person to represent State extension services, to be
6 selected by the groups which each is to represent. For each
7 of the following commodity groups: Fruits, vegetables, and
8 nuts; livestock and wool; grains; cotton; tobacco; dairy
9 products; forest products; and poultry and poultry products;
10 the Secretary shall appoint two persons to represent pro-
11 ducers, one person to represent distributors, and one person
12 to represent processors. The Secretary shall also appoint
13 two persons to represent retailers. In the selection of such
14 members, due consideration shall be given to recommenda-
15 tions of the groups to be represented, and the representatives
16 of producers shall be so selected as to afford cooperative asso-
17 ciations of producers with adequate representation. One rep-
18 resentative from the Department of Commerce, to be selected
19 by the Secretary of Commerce, and one representative from
20 the Interstate Commerce Commission, to be designated by
21 the Chairman of the Commission, and such officials of the
22 Department of Agriculture as the Secretary of Agri-
23 culture may designate shall be ex officio members.
24 The chairman of the committee shall be the Secretary

1 of Agriculture or such other official of the Department of
 2 Agriculture as he shall designate. The committee shall meet
 3 at least once each year at the call of the chairman or of
 4 the executive committee. In order to facilitate the work of
 5 such advisory committee and to increase its effectiveness, an
 6 executive committee *The committee shall consist of eleven*
 7 members, six of whom shall be representatives of producers
 8 or their organizations, ~~shall be created by and from the~~
 9 membership of such advisory committee. The executive
 10 committee shall meet at least once each quarter and at such
 11 other times as are deemed necessary. Members of ~~such~~
 12 ~~advisory or executive committees~~ *the committee* may not
 13 appoint alternates to serve in their stead. Committee mem-
 14 bers other than the ~~ex officio members~~ *chairman* shall not
 15 be deemed to be employees of the United States and are
 16 not entitled to compensation, but the Secretary of Agri-
 17 culture is authorized to allow their traveling and subsistence
 18 expenses necessary in connection with their attendance at
 19 meetings called by him for the purposes of this section.

20 SEC. 302. In the furtherance of the research and service
 21 work authorized by this Act, the Secretary of Agriculture
 22 may, in addition to the national advisory committee, estab-
 23 lish appropriate committees, including representatives of

- 1 producers, industry, government, and science, to assist in
- 2 effectuating specific research and service programs.

Passed the House of Representatives July 15, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

Calendar No. 1881

79TH CONGRESS
2^D Session

H. R. 6932

[Report No. 1843]

AN ACT

To provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products.

JULY 16 (legislative day, JULY 5), 1946

Read twice and referred to the Committee on
Agriculture and Forestry

JULY 26 (legislative day, JULY 5), 1946

Reported with amendments

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 30, 1946
For actions of July 29, 1946
79th-2nd, No. 150

CONTENTS

Appropriations.....	23, 28	Insect control.....	16	Property, surplus.....	37
Assistant secretaries....	3	Lands, public.....	15	R.F.C.....	20
Buildings and grounds....	5	Limitations statute.....	21	Reclamation.....	7, 33
Claims.....	16	Loans, farm.....	1	Relief, foreign.....	34
Dairy industry.....	22, 35	Machinery, farm.....	30	Reorganization.....	18, 31
Economic advisers.....	4	Marketing.....	2, 42	Reports.....	10
Electrification, rural....	8	Minerals.....	11	Research.....	2, 15
Fisheries.....	19	Minimum wages.....	32	Small business.....	27
Flood control.....	29	Nominations.....	4	Strategic materials....	28
Foreign relations.....	6, 17	Patents.....	25	Sugar.....	41
Forestry.....	10, 11	Peanuts.....	42	Veterans.....	23
Grains.....	36	Personnel.....	9, 13, 14, 18, 40	Water pollution.....	24
Health.....	9, 26, 38	Price control.....	23, 39	Wildlife.....	12

HIGHLIGHTS: Both Houses agreed to conference report on Cooley farm-credit bill. Senate passed research-marketing bill; agreed to modified version of amendment on State agencies jurisdiction. Senate passed bill to provide for 2 additional Assistant Secretaries of Agriculture. Senate confirmed nominations to Price Decontrol Board. Senate passed bill to authorize site acquisition and design of Federal buildings. Senate passed bill to authorize health program for Government personnel. Senate passed bill to provide basic authority for functions of Bureau of Reclamation. Senate passed bill to proposed Foreign Service Act of 1946. President approved bills: To provide for future peanut quotas at least as large as 1941 (July 26); to extend the Sugar Act until Dec. 31, 1947 (July 27).

SENATE

1. COOLEY FARM-CREDIT BILL. Both Houses agreed to the conference report on this bill, H. R. 5991 (pp. 10518-23, 10537-9). This bill will now be sent to the President.
2. RESEARCH; MARKETING. Passed with amendments H. R. 6932, the Flannagan-Hope bill (pp. 10514-5). Agreed to a modification of the amendment on State-agencies jurisdiction, which reads as follows: "To the maximum extent practicable marketing research work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural experiment stations; marketing, educational, and demonstrational work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural extension service; market information, inspection, regulatory work, and other marketing service done hereunder in cooperation with the State agencies shall be done in cooperation with the State departments of agriculture, and State bureaus and departments." Sen. Russell, Ga., said this amendment has been agreed to by "all the parties in interest, including the House authors." Except for this provision, the bill as passed was in the form as reported.
3. ASSISTANT SECRETARIES OF AGRICULTURE. Passed without amendment S. 1923, to provide for 2 additional Assistant Secretaries (p. 10484). A similar bill has been reported by the House committee.
4. NOMINATIONS. Confirmed the nominations of Roy L. Thompson, Daniel W. Bell, and George H. Mead to the Price Decontrol Board (pp. 10533-4).
Received the nomination of Edwin G. Nourse to the Council of Economic

Advisers (p. 10534).

5. BUILDINGS. Passed as reported S. 2412, to provide for site acquisition and design of Federal buildings (pp. 10488-9). One of the amendments eliminates the provisions giving PBA control over furniture and rugs and Government-building cafeterias.
6. FOREIGN SERVICE. Passed without amendment H. R. 6907, to improve, strengthen, and expand the Foreign Service (pp. 10485-6). This bill will now be sent to the President.
7. RECLAMATION. Passed without amendment H. R. 5654, to provide basic authority for certain functions of the Bureau of Reclamation (pp. 10483-4).
8. RURAL ELECTRIFICATION. Passed without amendment S. 2404, to provide for REA refinancing of certain TVA loans to municipalities for rural-electrification projects (p. 10493).
9. HEALTH; PERSONNEL. Passed with amendment H. R. 2716, to provide for health programs for Government employees (pp. 10479-80). Agreed to an amendment by Sen. Downey, Calif., to provide for collaboration with the Public Health Service.
10. REPORTS. Passed without amendment H. R. 2504, to provide for discontinuance of certain reports, including the ones on forest roads and trails, large AAA payments, and condition of work in the departments (p. 10478). This bill will now be sent to the President.
11. FORESTRY. Passed without amendment H. R. 6298, to authorize the exchange of mineral rights reserved on the Vesuvius watershed, Ohio, for surface rights of equal value owned by the U. S. in other lands that do not drain into Vesuvius Lake (p. 10487). This bill will now be sent to the President.
12. WILDLIFE CONSERVATION. Passed with amendment H. R. 6097, to amend the wildlife conservation laws in several respects (pp. 10493-4).
13. PERSONNEL. During debate on another bill, Sen. Downey, Calif., proposed an amendment to lift the \$10,000 ceiling on certain Federal salaries to \$12,500, but after discussion, Sen. Ferguson, Mich., objected to the amendment (pp. 10500-2).
14. POLITICAL ACTIVITIES. Passed with amendment H. R. 1497, to permit political activities of Federal employees in connection with municipalities in which they reside (p. 10481).
Discussed and passed over H. R. 1118, to authorize the Civil Service Commission to decide penalties for violation of the Hatch Act (pp. 10481-2).
15. RESEARCH LANDS. The Public Lands and Surveys Committee reported without amendment H.R. 6896, to grant to Miles City, Mont., certain land in Carter County (part of the USDA Livestock Range Experiment Station), for industrial and recreational purposes and as a museum site (S.Rept. 1900) (p. 10474).
16. CLAIMS; INSECT CONTROL. Passed over on objection of Sen. Taft, Ohio, S. 1250, for the relief of certain claimants who suffered losses and sustained damages as the result of the Government campaign for the eradication of the Mediterranean fruitfly in Fla. (pp. 10477-8). Sen. Andrews, Fla., explained the bill and gave a short history of the case (pp. 10477-8).

there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, such funds as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the number of judges authorized by the act approved April 1, 1942 (56 Stat. 190, D. C. Code, title II, sec. 752), is hereby increased from 10 to 13. Appointments and reappointments in the case of the additional judges authorized by this act shall be for a term of 10 years each.

SEC. 2. Section 2 of said act of April 1, 1942, is amended by striking out the words: "Each judge, when appointed, shall take the oath prescribed for judges of courts of the United States. No person other than a bona fide resident of the District of Columbia and maintaining an actual place of abode therein for at least 5 years immediately prior to his appointment, or who shall have been a judge of one of the courts of the District of Columbia, shall be appointed as judge of the municipal court for the District of Columbia: *Provided, however,* That not more than two nonresident persons may be appointed and serve as judges of the said municipal court at any one time. Further, all appointees shall have been actively engaged in the practice of law in the District of Columbia for a period of at least 5 years immediately prior to their appointment. Service during the present emergency in the armed forces of the United States shall be included in the computation of the 5-year requirements herein specified," and substituting in lieu thereof the following: "Each judge, when appointed, shall take the oath prescribed for judges of courts of the United States: *Provided, however,* That (a) no person other than a bona fide resident of the District of Columbia, and maintaining an actual place of abode therein for not less than 5 years immediately prior to his appointment, or who shall have been a judge of one of the courts of the District of Columbia shall be appointed a judge of the municipal court for the District of Columbia; (b) that each such appointee (other than such an appointee who shall have been a judge of one of the courts of the District of Columbia) shall have been actively engaged in the private practice of the law in the District of Columbia for a period of at least five consecutive years immediately prior to his appointment, and shall, during such period, have maintained an office in said District for the purpose of such practice and devoted a major portion of his time and derived the principal portion of his income from such private practice of the law; and service during the present emergency in the armed forces of the United States shall be included in the computation of the 5-year requirements specified herein and in clause (a) above; (c) that of the 13 judges herein authorized to constitute the judicial appointees of the said court, not more than two persons may be appointed and serve as judges of the said municipal court at any one time having either of the following qualifications: (1) A nonresident person who has been a member of the bar of the highest court in the State in which he shall have been domiciled for a period of at least 5 years and who is a member of the bar of the District of Columbia, or (2) a member of the bar of the District of Columbia for at least 5 years who shall have been employed as an attorney in the District of Columbia in the Government of the United States or in the government of the District of Columbia; and in either of said alternatives a person appointed

under this clause shall not be subject to the requirements of the preceding clauses (a) and (b) hereof."

SEC. 3. The appropriations in the act entitled "An act making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes" (Public Law 493, 79th Cong., ch. 544, 2d sess., H. R. 5990), approved July 9, 1946, for the municipal court for the District of Columbia are hereby continued available for the purposes specified therein, and for the expenditures authorized by this act. And there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, such funds as may be necessary to carry out the provisions of this act.

The title was amended so as to read: "A bill to authorize the appointment of three additional judges of the municipal court for the District of Columbia and prescribe the qualifications of the judges of such court."

CONSERVATION OF FISHERY RESOURCES OF THE COLUMBIA RIVER

The bill (S. 2318) to amend the act of May 11, 1938, for the conservation of the fishery resources of the Columbia River, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act of May 11, 1938 (52 Stat. 345), entitled "An act to provide for the conservation of the fishery resources of the Columbia River, establishment, operation, and maintenance of one or more stations in Oregon, Washington, and Idaho, and for the conduct of necessary investigations, surveys, stream improvements, and stock operations for these purposes," is amended by deleting therefrom the comma after the word "construct" as it appears therein and inserting in lieu thereof the word "and" and by deleting the words "and maintain."

SEC. 2. Section 3 of said act is hereby amended to read as follows:

"In carrying out the authorizations and duties imposed by section 2 of this act, the Secretary of the Interior is authorized to utilize the facilities and services of the agencies of the States of Oregon, Washington, and Idaho responsible for the conservation of the fish and wildlife resources in such States, under the terms of agreements entered into between the United States and these States, without regard to the provisions of section 3709 of the Revised Statutes, and funds appropriated to carry out the purposes of this act may be expended for the construction of facilities on and the improvement of lands not owned or controlled by the United States: *Provided,* That the appropriate agency of the State wherein such construction or improvement is to be carried on first shall have obtained without cost to the United States the necessary title to, interest therein, rights-of-way over, or licenses covering the use of such lands."

REIMBURSEMENT OF STATES FOR TRAINING PROGRAMS FOR VETERANS

The bill (S. 2477) to authorize the Veterans' Administration to reimburse State and local agencies for expenses incurred in rendering services in connection with the administration of certain training programs for veterans and for other purposes, was considered, ordered to be en-

grossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of Public Law No. 16, Seventy-eighth Congress, as amended by section 401 of the Servicemen's Readjustment Act of 1944, is amended by inserting at the end thereof a new sentence as follows: "Any such appropriation shall also be available for use by the Administrator in reimbursing State and local agencies for reasonable expenses incurred by them in (1) rendering necessary services in ascertaining the qualifications of industrial establishments for furnishing on-the-job training to veterans under the provisions of part VIII of such regulation, and in the supervision of industrial establishments furnishing such training, or (2) furnishing, at the request of the Administrator, any other services or facilities in connection with the administration of programs for training on the job under such provisions, or (3) furnishing, at the request of the Administrator, information concerning educational opportunities available in schools and colleges."

SEC. 2. Paragraph 6 of part VIII of Veterans Regulation No. 1 (a) as amended, is hereby amended to read as follows:

"6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$65 per month, if without a dependent or dependents, or \$90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding 30 days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor whether performed as part of their apprentice or other training on the job at institutions, business, or other establishments, or otherwise, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances, as may be determined by the Administrator: *Provided,* That in no event shall the rate of such allowance plus the compensation received exceed \$175 per month for a veteran without a dependent or \$200 per month if he has a dependent or dependents."

SEC. 3. Paragraph 11 of part VIII of Veterans Regulation No. 1 (a) is hereby amended, to read as follows:

"11. (a) As used in this part, the term 'educational or training institutions' shall include all public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, scientific and technical institutions, colleges, vocational schools, junior colleges, teachers colleges, normal schools, professional schools, universities, and other educational institutions, and shall also include business or other establishments providing apprentice or other training on the job, including those under the supervision of an approved college or university or any State department of education, or any State apprenticeship agency or State board of vocational education, or any State apprenticeship council or the Federal Apprentice Training Service established in accordance with Public Law No. 308, Seventy-fifth Congress, or any agency in the executive branch of the Federal Government authorized under other laws to supervise such training.

"(b) As used in this part the term 'Other training on the job' shall include courses offered by establishments approved by the appropriate agency of the State or the Administrator whenever such courses of training on the job are furnished in accordance with the following provisions:

"1. Any establishment desiring to undertake an on-the-job training program will be required to submit to the appropriate State approving agency a written application setting forth the course of training for each job for which a veteran is to be trained.

The written application covering the training program will include the following:

"a. Title and description of the specific job objective for which the veteran is to be trained.

"b. Length of the training period.

"c. Schedule listing various operations for major kinds of work or tasks to be learned and showing, for each, job operations or work, tasks to be performed, and the approximate length of time to be spent on each operation or task.

"d. Wage or salary to be paid at the beginning of the training program, at each successive step in the program, and at the completion of training.

"e. Entrance wage or salary paid by the establishment to employees already trained in the kind of work for which the veteran is to be trained.

"f. Number of hours of supplemental instructions required.

"2. The appropriate approving agency of the State or the Administrator may approve the application of the establishment when such establishment is found upon investigation to have met or made provision for meeting the following criteria:

"a. The training content of the program is adequate to qualify the veteran for appointment to the job for which he is to be trained.

"b. There is reasonable certainty that the job for which the veteran is to be trained will be available to him at the end of the training period.

"c. The job is one in which progression and appointment to the next higher classification are based upon skills learned through organized training on the job and not on such factors as length of service and normal turn-over.

"d. The wages to be paid the veteran for each successive period of training are not less than those customarily paid in the establishment and the community to a learner in the same job and who is not a veteran and are in conformity with State and Federal laws and applicable bargaining agreements.

"e. The job customarily requires a period of training of not less than 3 months and not more than 2 years of full-time training.

"f. The length of the training period is no longer than that customarily required by the establishment and other establishments in the community to provide the trainee with required skills, arrange for the acquiring of job knowledge, technical information, and other facts which the trainee will need to learn in order to become competent on the job for which he is being trained.

"g. Provision is made for related instruction for the individual veteran who may need it.

"h. There is in the establishment adequate space, equipment, instructional material and instructor personnel to provide satisfactory training on the job.

"i. Adequate records are kept to show the progress made by the veteran toward his job objective and a periodic report showing the conduct and progress made in the course of training on the job will be provided for the Veterans' Administration.

"j. Appropriate credit is given the veteran for previous job experience, whether in the military service or elsewhere, his beginning wage adjusted to the level to which such a credit advances him and his training period shortened accordingly. No course of training will be considered bona fide if given to a veteran who is already qualified by training and experience for the job objective.

"k. A copy of the training program as approved by the State agency is provided to the veteran and to the Veterans' Administration by the employer.

"l. Upon completion of the training the veteran is given a certificate by the employer indicating the length and type of training provided and that the veteran has completed

the course of training on the job satisfactorily.

"3. The Veterans' Administration is not authorized to award the benefits under this part, if it is found by the Administrator that the course of apprentice training or other training on the job fails to meet the requirements of this paragraph."

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF THE HUNDREDTH ANNIVERSARY OF ADMISSION OF IOWA INTO THE UNION

The bill (H. R. 2377) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Iowa into the Union as a State, was considered, ordered to a third reading, read the third time, and passed.

INTERNATIONAL COLLABORATION WITH RESPECT TO METEOROLOGY

The bill (H. R. 6030) to amend the Civil Aeronautics Act of 1938, as amended, so as to improve international collaboration with respect to meteorology, was considered, ordered to a third reading, read the third time, and passed.

MARKETING AND DISTRIBUTION OF AGRICULTURAL PRODUCTS

The Senate proceeded to consider the bill (H. R. 6932) to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. REVERCOMB. Mr. President, may we have an explanation of the bill?

Mr. RUSSELL. Mr. President, this bill came over from the House some 2 or 3 weeks ago. It is a result of 2 or 3 years' work by the Committee on Agriculture of the House of Representatives. It undertakes to merge two bills, one of which has been known commonly as the Flanagan bill, providing for research in production of agricultural crops, and a bill known as the Hope-Andresen bill, which provides for research into marketing and into the best ways of handling agriculture commodities.

Mr. President, the pending bill is of tremendous importance to the farmers of the United States. While there has been disagreement as to details, all the farm organizations have strongly supported the general principles enunciated in the measure.

We must realize that for several years the farmers have tremendously increased the production of food and fiber. It is estimated that today there are 3,000,000 more people living on the farms, who are necessary to be there in order to produce the food and fiber necessary to maintain life in this country. It is of the highest importance that greater research be made into the utilization of agricultural commodities, and into the methods of their marketing and preservation.

There is another reason why it is most important that the bill be enacted at this session of the Congress. Most of the funds must be matched by the several States. The State legislatures of 43 States will convene next January, and unless they are apprised of the fact that

it is necessary for them to match under the terms of the pending bill, it will be 3 years before we will be enabled to embark on this most important work.

Mr. President, I wish to point out that title I of the bill expands and broadens the scope of research that is already authorized by law. It provides for an initial appropriation of \$2,500,000 a year.

Furthermore, in title I there is an authorization of appropriation of \$3,000,000 for the first year, with authority to increase it thereafter, to carry on further research in the utilization of agricultural commodities in order that new uses may be developed for those commodities, and therefore preserve the farmer's market.

Title II authorizes an initial appropriation, with authority to increase it thereafter, of \$2,500,000 a year for the purposes of investigation and research into the distribution and marketing of agricultural products.

Up until now, Mr. President, the National Government has never engaged in research into the marketing and distribution of crops, and I regard this as being one of the most important features of the bill.

I certainly hope that there will be no objection to the consideration of the bill. As I stated, there was some disagreement between some of those interested in the legislation as to how clearly the bill should define the cooperating agencies within the several States set up to carry on this work.

The Senate committee adopted an amendment which undertook to define this work. Since then all the parties in interest, including the House authors of the bill, have gotten together and agreed upon substitute language. I know of no opposition anywhere to the bill if the substitute for the language of the Senate committee be adopted.

Mr. LA FOLLETTE. Will the Senator tell us where the amendment comes in and what the effect of it is?

Mr. RUSSELL. It comes in on page 15 of the bill and would be a substitute for the language of the committee amendment beginning in line 23. The amendment has the effect of eliminating the so-called veto power in the agencies of State governments as to where the work shall be done. The amendment reads as follows:

To the maximum extent practicable marketing-research work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural experiment stations; marketing, educational, and demonstrational work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural extension service; market information, inspection, regulatory work, and other marketing service done hereunder in cooperation with the State agencies shall be done in cooperation with the State departments of agriculture and State bureaus and departments.

Mr. President, I hope there will be no objection to the consideration of the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAFT. Does this bill in any way extend the power of the Department of Agriculture or the Commodity Credit

Corporation to buy and sell, or is it strictly confined to research?

Mr. RUSSELL. It does not in any wise extend the power of the Department of Agriculture or any of its subdivisions.

Mr. TAFT. Either to buy or sell or regulate production?

Mr. RUSSELL. It does not to the slightest degree make any such provision. It provides wholly for research.

Mr. TAFT. There are a couple of very general statements contained in the bill which I had not read with care, so I could not judge whether the language was sufficiently broad to cover other activities.

Mr. RUSSELL. It is strictly a research bill.

The PRESIDENT pro tempore. The time of the Senator has expired.

Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6932) to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products, which had been reported from the Committee on Agriculture and Forestry, with amendments.

Mr. RUSSELL. Mr. President, I offer an amendment as a substitute for the committee amendment on page 15, beginning in line 23 and ending on page 16 in line 17, which I should like to have acted upon before the committee amendments are considered.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. In title II, on page 15, at the end of the sentence in line 23, it is proposed to insert the following:

To the maximum extent practicable marketing research work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural experiment stations; marketing, educational, and demonstrational work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural extension service; market information, inspection, regulatory work, and other marketing service done hereunder in cooperation with the State agencies shall be done in cooperation with the State departments of agriculture, and State bureaus and departments.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. RUSSELL. Mr. President, there are a number of other committee amendments to be acted upon.

The PRESIDENT pro tempore. The clerk will state the other amendments reported by the Committee on Agriculture and Forestry.

The first amendment was in title I, on page 2, line 10, before the word "employment", to strike out "full" and insert "maximum."

The amendment was agreed to.

The next amendment was, on page 13, line 15, after the figure "9", to strike out "(a)" and insert "(b)."

The amendment was agreed to.

The next amendment was, on page 17, line 19, after the word "new", to insert "or expanded"; in line 19, after the word "markets", to insert "(domestic and foreign)"; and in the same line, after the word "new", to insert "and expanded"; in line 22, after the word "and", to strike out "elsewhere" and insert "abroad."

The amendment was agreed to.

The next amendment was, on page 21, line 18, after the word "cooperative", to strike out "research", and in the same line, after the word "marketing", to insert "service and in marketing research"; on page 22, line 2, after the word "marketing", to insert "services and for marketing"; in line 5, after the word "specific", to strike out "research"; in line 11, after the word "cooperative", to strike out the word "research."

The amendment was agreed to.

The next amendment was on page 25, line 12, after the word "products", to insert "fish and shell fish."

The amendment was agreed to.

The next amendment was, in title III, on page 26, line 22, after the word "program", to strike out:

The membership of such advisory committee shall consist of the following: One person from each of the general national farm organizations; one person from the National Association of Commissioners, Secretaries, and Directors of Agriculture; one person from the National Association of Marketing Officials; one person to represent State agricultural experiment stations; one person to represent State extension services, to be selected by the groups which each is to represent. For each of the following commodity groups: Fruits, vegetables, and nuts; livestock and wool; grains; cotton; tobacco; dairy products; forest products; and poultry and poultry products; the Secretary shall appoint two persons to represent producers, one person to represent distributors, and one person to represent processors. The Secretary shall also appoint two persons to represent retailers. In the selection of such members, due consideration shall be given to recommendations of the groups to be represented, and the representatives of producers shall be so selected as to afford cooperative associations of producers with adequate representation. One representative from the Department of Commerce, to be selected by the Secretary of Commerce, and one representative from the Interstate Commerce Commission, to be designated by the Chairman of the Commission, and such officials of the Department of Agriculture as the Secretary of Agriculture may designate shall be ex officio members.

The amendment was agreed to.

The next amendment was, on page 28, line 2, after the word "designate", to strike out "The committee shall meet at least once each year at the call of the chairman or of the executive committee. In order to facilitate the work of such advisory committee and to increase its effectiveness, an executive committee" and insert "The committee shall consist"; in line 8, page 29, after the word "organizations", to strike out the comma and "shall be created by and from the membership of such advisory committee"; in line 9, after the word "The", to strike out "executive"; in line 11, after

the words "members of", to strike out "such advisory or executive committee" and insert "the committee"; in line 14, after the words "than the", to strike out "ex officio members" and insert "chairman."

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6932) was read the third time and passed.

AMENDMENT OF FIRST WAR POWERS ACT

Mr. FERGUSON. Mr. President, I should like at this time to refer back to Calendar No. 1875, Senate bill 2378. I think we could pass the bill if the Senate were to agree to certain amendments to a similar House bill and pass that bill.

I ask unanimous consent that the Senate proceed to the consideration of House bill 6893, which is No. 1892 on the calendar and is similar to the Senate bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6890) to amend the First War Powers Act, 1941.

Mr. FERGUSON. Mr. President, I offer the following amendments, and ask for their adoption:

On page 2, line 13, after the article "a" to insert "suit or."

On page 4, line 24, after the article "a" to insert "suit or."

On page 4, line 25, after the word "return", to strike out "or for just compensation."

And on page 10, line 15, after the word "thereof" to strike out "or for just compensation in respect thereof."

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Michigan.

The amendments were agreed to.

Mr. TAFT. Mr. President, objection was made originally to consideration of the Senate bill. I want to be sure that the amendments take care of the situation. Under the measure as now amended an alien could bring no suit whatever, even though he were not an enemy alien, but were a resident of Great Britain, for example?

Mr. FERGUSON. That section has been stricken out.

Mr. TAFT. That section has been stricken out entirely?

Mr. FERGUSON. Yes.

The PRESIDENT pro tempore. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6890) was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 2378 will be indefinitely postponed.

CONSTRUCTION OF NEW SCHOOL BUILDING IN HUNTER, WIS.

The bill (H. R. 6141) to provide funds for cooperation with the school board of Hunter School District for the construc-

tion and equipment of a new school building in the town of Hunter, Sawyer County, Wis., to be available to both Indian and non-Indian children, was considered, ordered to a third reading, read the third time, and passed.

SALE OF LAND BELONGING TO ALICE SCOTT WHITE

The bill (H. R. 4114) to authorize the Secretary of the Interior to sell certain land of Alice Scott White on the Crow Indian Reservation, Mont., was considered, ordered to a third reading, read the third time, and passed.

FINANCIAL AID TO THE REPUBLIC OF THE PHILIPPINES

The joint resolution (S. J. Res. 181) to authorize the Secretary of the Treasury to render financial aid to the Republic of the Philippines, and for other purposes, was announced as next in order.

Mr. WAGNER. Mr. President, I move that this joint resolution be indefinitely postponed, since the principle is embodied in a House amendment to Senate Joint Resolution 156, which has now been returned to the Senate with House amendments.

The PRESIDING OFFICER. The question is on the motion of the Senator from New York to postpone indefinitely Senate Joint Resolution 181.

The motion was agreed to.

EXTENSION OF RECONSTRUCTION FINANCE CORPORATION

Mr. WAGNER. Mr. President, I now ask the Chair to lay before the Senate a message from the House of Representatives in which are set forth the House amendments to Senate Joint Resolution 156.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 156) which were on page 1, line 7, to strike out "1952" and insert "1947"; on page 2, line 1, to strike out "1952" and insert "1947"; on page 2, line 7, to strike out "1949" and insert "1947"; on page 2, after line 7, to insert:

Sec. 2. To furnish a market for loans guaranteed or insured under the provisions of the Servicemen's Readjustment Act of 1944, as amended, Reconstruction Finance Corporation is authorized, under such terms and conditions and in such manner as it may determine, to purchase directly or through a subsidiary, loans so guaranteed or insured.

On page 2, after line 7, to insert:

Sec. 3. The Reconstruction Finance Corporation is hereby authorized to lend or extend credit to the Government of the Republic of the Philippines in an amount or amounts not exceeding in the aggregate \$75,000,000 at such time or times before July 1, 1947, and upon such terms and conditions as the Reconstruction Finance Corporation after consultation with the National Advisory Council on International Monetary and Finance Problems shall deem to be warranted by the financial position of the Government of the Republic of the Philippines: *Provided*, That the rate of interest to be charged in connection with any loan or extension of credit made pursuant to this section shall not be less than 2 percent per annum.

Mr. WAGNER. Mr. President, Senate Joint Resolution 156, which passed the Senate on June 29, 1946, was a simple

extension of the life and lending powers of the RFC, to June 30, 1952, and June 30, 1949, respectively. The House amendments, Nos. 1, 2, and 3, have the effect of extending the life and lending powers only to June 30, 1947.

House amendment No. 4 authorizes the RFC to purchase, directly or through a subsidiary, loans guaranteed or insured under the provisions of the Servicemen's Readjustment Act of 1944 as amended—the so-called GI bill of rights.

House amendment No. 5 inserts a new section authorizing a credit up to \$75,000,000 to the Philippine Republic by the RFC, at interest rates not less than 2 percent per year. This is substantially the provision of Senate Joint Resolution 181 already reported by the Senate Banking and Currency Committee. The only difference is that the Senate resolution authorizes the credit to be advanced from the Treasury of the United States, whereas the House amendment gives this authority to the RFC.

I move to concur in the House amendments.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. REVERCOMB. As pointed out by the able Senator from New York, the measure on the Senate Calendar, Senate Joint Resolution 181, authorizes the Secretary of the Treasury to lend up to \$75,000,000 to the Philippine Republic.

Mr. WAGNER. Yes.

Mr. REVERCOMB. The change made in the House authorizes the RFC to make the loan up to \$75,000,000.

Mr. WAGNER. That amendment was made in the House. The Philippine Republic is in great financial difficulty, and needs the \$75,000,000 loan. If we do not agree to this amendment, and the matter has to go back to the House, the chances are that we will get no bill.

Mr. REVERCOMB. It seems to me better to provide a loan by the RFC than a loan under the terms of the Senate joint resolution.

Mr. WAGNER. The amendment was made on the floor of the House. I cannot tell the Senator why it was done, but it was done, and it is before us.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. TAFT. In either case the International Advisory Council, the Secretary of the Treasury, and the head of the Federal Reserve bank, must be consulted. I see no difference between the two proposals, except that the RFC would make the loan instead of the Secretary of the Treasury. That is probably better.

Mr. WAGNER. There was no explanation given on the floor of the House. However, the loan is needed very badly. That is why I move that the Senate concur in the House amendment.

Mr. LA FOLLETTE. Mr. President, I certainly hope the motion will prevail, because the situation confronting the Philippine Government is desperate, and action should be had at the earliest possible moment. I hope there will be no objection to the motion of the Senator from New York.

Mr. REVERCOMB. Mr. President, I merely wish to make the observation that if we are to provide for a loan to the Philippines I believe that the amendment made in the House, providing that the loan be made through the RFC, is preferable to the terms of the Senate joint resolution, making the loan out of the Treasury upon such terms as the Secretary of the Treasury may prescribe. It seems to me that the loan had better be made by the RFC rather than out of the Treasury.

Mr. TAFT. There is one other thing that should be noted in agreeing to the House amendment and that is that we are extending the life of the RFC only to 1947, instead of 1952, as the Senate provided. I have no objection to that, but it is an important change.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York.

The motion was agreed to.

TIME LIMIT ON INSTITUTION OF CERTAIN ACTIONS

Mr. McCARRAN. Mr. President, if I may have the attention of the majority leader and also the attention of the Senator from Nebraska [Mr. WHERRY], I ask unanimous consent to revert to House bill 2788, Calendar 1424, a bill to limit the time during which certain actions under the laws of the United States may be brought. I think the Senator from Nebraska has a suggestion for an amendment which might be satisfactory.

Mr. GEORGE. Mr. President, may I ask if recurrence to this measure will occasion very long discussion?

Mr. McCARRAN. I do not believe so. If it did, I would not insist upon it.

Mr. GEORGE. There are some very important measures at the end of the calendar, and I have been patiently allowing recurrence to various orders on the calendar.

Mr. BARKLEY. Mr. President, this bill was passed over at my request a while ago, because I had not had an opportunity to look into an amendment in the nature of a substitute offered by the Senator from Nebraska. I have now examined it, and I have also consulted other Senators. If the Senator from Nebraska will modify his amendment by striking out "two" and inserting "three" in each instance, so as to make the period of the statute of limitations 3 years instead of 2, I shall have no objection to the passage of the bill.

Mr. McCARRAN. Mr. President, that is satisfactory so far as the chairman of the Judiciary Committee is concerned.

Mr. FERGUSON. Mr. President, I hope the Senate will adopt the substitute, because if we must wait until the next session the period will be practically 3 years anyway, so we had better pass the bill today providing a period of 3 years, rather than wait and pass the bill at the next session.

Mr. HAWKES. Mr. President, I entirely agree with what the Senator from Michigan has just said. I am in favor of adopting the compromise suggestion, making the period 3 years, and taking some action on the bill now.

The PRESIDENT pro tempore. Is there objection to the request of the

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 31, 1946
For actions of July 30, 1946
79th-2nd, No. 151

CONTENTS

Administrative expenses.....23	Forestry.....46	Patents.....13
Appropriations.....4	Health.....2,33	Peanuts.....45
Claims.....15	Housing.....9,19,34,35	Personnel.....2,7,12,42
Congressional phone calls. 8	Information.....36	Political activities....7
Congressional reorgani- zation.....32	Insect control.....15	Price control.....35
Consumer credit.....40	Lands, public.....17,18	Property, surplus.24,27,34,42
Dairy industry.....31	Library service.....38	Purchasing.....26
Economic advisers.....19	Limitations statute.....5	Reclamation.....28
Economy.....10	Loans, farm.....42	Research.....1,39
Education.....22	Machinery, farm.....11	Rural rehabilitation....43
Farm program.....30	Marketing.....1,45	School-lunch program..4,25
Fisheries.....6	Minerals.....3	Social security.....16,37
Foreign relations.....44	National defense.....20	Trade, foreign.....41
	Nominations.....19	Veterans....14,21,34,42,43

HIGHLIGHTS: House concurred in Senate amendments to Flannagan-Hope research-marketing bill. House concurred in Senate amendment to bill authorizing health programs for Federal employees. House passed supplemental appropriation bill; rejected Voorhis amendment to provide \$5,000,000 more for school-lunch program. Senate passed bill to direct appointment of a commissioner in Treasury to settle Mediterranean fruitfly claims. Senate confirmed nominations of Keyserling, Clark, and Nourse to be Economic Advisers. President approved bill to provide for liquidation of rural-rehabilitation projects.

HOUSE

1. **RESEARCH; MARKETING.** Concurred in the Senate amendments to H. R. 6932, the Flannagan-Hope bill (pp. 10630-1). This bill will now be sent to the President. As finally passed, this bill provides additional authorizations as follows:
- Payments to States, etc., for research:
- \$2,500,000 for 1947; \$5,000,000 for 1948; \$10,000,000 for 1949; \$15,000,000 for 1950; \$20,000,000 for 1951; unlimited authorization thereafter.
- Distribution: 20% equally to each State, etc.; at least 26% on basis of rural population; at least 26% on basis of farm population; not over 25% for regional problems; 3% for administrative expenses.
- Authorization to the Department for utilization research:
- \$3,000,000 for 1947; \$6,000,000 for 1948; \$9,000,000 for 1949; \$12,000,000 for 1950; \$15,000,000 for 1951; unlimited authorization thereafter.
- These authorizations provide authority to contract with private agencies.
- Cooperative research with the State experiment stations and other agencies:
- \$1,500,000 for 1947; \$3,000,000 for 1948; \$4,500,000 for 1949; \$6,000,000 for 1950; unlimited authorization thereafter.
- The Department could use not over 3% of these funds for administrative expenses.
- Authorization to the Department for marketing research and service, with permission to work through States:
- \$2,500,000 for 1947; \$5,000,000 for 1948; \$10,000,000 for 1949; \$15,000,000 for 1950; \$20,000,000 for 1951; unlimited authorization thereafter.

2. **PERSONNEL; HEALTH.** Concurred in the Senate amendment to H. R. 2716, which authorizes departments and agencies (including corporations), within the limits of appropriations made available therefor, to establish by contract or otherwise health-service programs for their employees; prohibits such programs

until the Public Health Service recommendations have been considered; limits the programs to localities of sufficient size; and limits services to (1) treatments of on-the-job illness and emergency dental conditions, (2) preemployment and other examinations, (3) referrals to private doctors, and (4) preventive programs. This bill will now be sent to the President. (p. 10629).

3. MINERALS. Agreed to a concurrent resolution, already passed by the Senate, to correct S. 1236, to amend the Mineral Leasing Act so as to encourage development of oil and gas on the public domain (pp. 10629-30). This bill will now be sent to the President.

4. APPROPRIATIONS. Passed without amendment H. J. Res. 390, the first supplemental appropriation bill for 1947, which includes items for OPA, Price Decontrol Board, and enlisted men's terminal leave (pp. 10615-24).

Rejected, 57-66, an amendment by Rep. Voorhis, Calif., to provide \$5,000,000 for the school-lunch program for 1947 (p. 10619).

The general farm situation was discussed (pp. 10621-3).

5. LIMITATIONS STATUTE. Rep. Hobbs, Ala., asked for concurrence in the Senate amendment to H. R. 2788, to limit the time during which certain actions under U. S. laws may be brought, but several members objected (pp. 10628-9).

6. FISHERIES. Passed without amendment S. 2318, to conserve fishery resources of the Columbia River (p. 10632). This bill will now be sent to the President.

7. POLITICAL ACTIVITIES. Concurred in the Senate amendment to H. R. 1497, to permit such activities by Federal employees in connection with municipalities in which they reside (p. 10628). This bill will now be sent to the President.

8. CONGRESSIONAL PHONE CALLS. Rep. Ramey, Ohio, criticized the way "bureaucrats" handle telephone calls (p. 10635).

9. HOUSING. Rep. Rowan, Ill., spoke in favor of S. 1592, the Wagner-Ellender-Taft housing bill (p. 10635).

10. ECONOMY. Rep. Dirksen, Ill., commended the provision of S. 2177, the congressional reorganization bill, which provides for expenditure analyses by GAO (p. 10612).

Rep. Rich, Pa., spoke in favor of economy in expenditures (p. 10608).

11. FARM MACHINERY. Rep. Hoffman, Mich., said additional steel should be allocated for farm-machinery production (p. 10612).

12. PERSONNEL CEILINGS. Rep. Rees, Kans., charged that some agencies are violating the personnel-ceiling requirements (p. 10613).

13. PATENTS. Agreed to the conference report on H. R. 5223, to extend the time for filing applications for patents, etc. (p. 10624). Senate has not yet acted on conference report.

14. TERMINAL LEAVE. Received the conference report on H. R. 4051, to provide terminal-leave benefits for enlisted personnel (pp. 10608-11).

SENATE

5. CLAIMS; INSECT CONTROL. Passed without amendment S. 1250, to direct the Secretary of the Treasury to appoint a commissioner to investigate and certify for

to the provisions of section 204 of the Motor Carrier Act, 1935.

"(d) Section 16 of the Fair Labor Standards Act of 1938, as amended (U. S. C. 1940 edition, title 29, sec. 216), is amended by inserting at the end thereof a new subsection reading as follows:

"(c) No liability under subsection (b) shall be predicated in any case on any act done or omitted in good faith in accord with any regulation, order, or administrative interpretation or practice, notwithstanding that such regulation, order, interpretation, or practice may, after such act or omission, be amended, rescinded, or be determined by judicial authority to be invalid or of no legal effect."

"SEC. 2. (a) Section 2 of the act of June 30, 1936, as amended, known as the Walsh-Healey Public Contracts Act (U. S. C., 1940 edition, title 41, sec. 36), is amended by inserting '(a)' after 'section 2,' and by inserting at the end of thereof a new sentence reading as follows: 'No action to recover any sum representing the amount of any deductions, rebates, refunds, or underpayment of wages or overtime compensation alleged to be due to any employee engaged in the performance of any contract to which this act is applicable may be maintained under this section in any court unless such action is commenced within 3 years after the cause of action accrued, except that if at any time during such 3-year period proper process may not be served on the person liable by reason of his absence from the United States, the period of such absence shall be disregarded in computing such 3-year period.'

"(b) In the case of a cause of action under section 2 of the act of June 30, 1936, as amended, known as the Walsh-Healey Public Contracts Act, to recover any sum representing the amount of any deductions, rebates, refunds, or underpayment of wages or overtime compensation alleged to be due to any employee engaged in the performance of any contract to which such act is applicable, which cause of action accrued 18 months or more prior to the date of the enactment of this act, and which on such date of enactment was not barred by any applicable statute of limitations, may, notwithstanding the amendment made by subsection (a) of this section, be maintained under such section 2 if commenced within 6 months after such date of enactment, except that if at any time within the period of limitation under this subsection proper process may not be served on the person liable by reason of his absence from the United States, the period of such absence shall be disregarded in computing such period of limitation.

"(c) Section 2 of such act of June 30, 1936, as amended, is further amended by inserting at the end thereof the following:

"(b) No liability under this section shall be predicated in any case on any act done or omitted in good faith in accord with any regulation, order, or administrative interpretation or practice, notwithstanding that such regulation, order, interpretation, or practice may, after such act or omission, be amended, rescinded, or be determined by judicial authority to be invalid or of no legal effect."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. BIEMILLER, Mr. MARCANTONIO, and Mr. GREEN objected.

The SPEAKER. Objection is heard.

RATES OF DIVIDENDS PAID BY FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4428, an act to adjust the rate of dividends paid

by the Federal Savings and Loan Insurance Corporation on its capital stock and to decrease the premium charge for its insurance, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, line 1, strike out "1945" and insert "1946."

Page 2, line 2, strike out "1945" and insert "1946."

Page 2, line 19, strike out "1945" and insert "1946."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman from Kentucky explain the effect of the Senate amendments?

Mr. SPENCE. Mr. Speaker, this bill reduces the premiums paid by the savings and loan associations to the Federal Savings and Loan Insurance Corporation from one-eighth to one-twelfth of 1 percent, making it correspond with the premiums paid by the banks to the Federal Deposit Insurance Corporation.

The bill was unanimously reported by the Committee on Banking and Currency. It was passed by the House under unanimous consent and went to the Senate. It was unanimously reported by the committee in the Senate and passed the Senate by unanimous consent. The only amendment is a change in the effective date, which makes the date June 30, 1946, instead of June 30, 1945, which is an entirely proper amendment because of the delay in the passage of the bill.

Mr. MARTIN of Massachusetts. That is the only change?

Mr. SPENCE. That is the only change.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

HEALTH PROGRAMS FOR GOVERNMENT EMPLOYEES

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 2716, an act to provide for health programs for Government employees, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

* Strike out all after enacting clause and to insert:

"That, for the purpose of promoting and maintaining the physical and mental fitness of employees of the Federal Government, the heads of departments and agencies, including Government-owned and controlled corporations are authorized, within the limits of appropriations made available therefor, to establish by contract or otherwise, health service programs which will provide health service for employees under their respective jurisdictions: *Provided*, That such health service programs shall be established only after consultation with the Public Health Service and consideration of its recommendations, and only in localities where there are a suf-

ficient number of Federal employees to warrant the provision of such services, and shall be limited to (1) treatments of on-the-job illness and dental conditions requiring emergency attention; (2) preemployment and other examinations; (3) referral of employees to private physicians and dentists; and (4) preventive programs relating to health: *Provided further*, That the health program now being conducted by the Tennessee Valley Authority and by the Panama Canal and Panama Railroad Company shall not be affected by the provisions of this act: *And provided further*, That such health programs as are now being conducted for other Federal employees may be continued until June 30, 1947. The Public Health Service, when requested to do so, shall review the health service programs being conducted by any department or agency under authority of this act and shall submit appropriate comment and recommendations. Wherever the professional services of physicians are authorized to be utilized under this act, the definition of "physician" contained in the act of September 7, 1916, as amended (U. S. C., 1940 edition, title 5, sec. 790), shall be applicable."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. REES of Kansas. Mr. Speaker, reserving the right to object, will the gentleman briefly explain this bill?

Mr. RANDOLPH. Mr. Speaker, this legislation, as amended in the Senate, would place final authority for the health programs within the governmental structure, under the United States Public Health Service rather than in the United States Civil Service Commission. The gentleman from Kansas [Mr. REES], the ranking minority member of the Civil Service Committee, and the other members of the committee agreed that this legislation, passed by this House and approved yesterday by the Senate is highly meritorious. Its operation brings about a coordination of the health programs within the Government service. Each agency must make its case before the Appropriations Committee before the program can legally be set in motion.

Mr. REES of Kansas. Mr. Speaker, I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

POSTAGE RATES ON DOMESTIC AIR MAIL

Mr. O'BRIEN of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5560, an act to fix the rate of postage on domestic air mail, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. O'BRIEN]. [After a pause.] The Chair hears none and appoints the following conferees: Mr. O'BRIEN of Michigan, Mr. TRAYNOR, Mr. LYLE, Mr. BUTLER, and Mr. COLE of Missouri.

MINERAL LEASING ACT

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent for the immediate

consideration of Senate Concurrent Resolution 75.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate, in the enrollment of the bill (S. 1236) to amend the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain, and for other purposes, be, and he is hereby, authorized to make the following correction, namely: In the language inserted in the conference report, in respect to House amendment No. 19, after the word "limits", the first word in such language, insert the words "are found by the Secretary to"; and after the phrase "where such lease", strike out the comma and the words "or a lease for which it is exchanged" and the comma so that the language inserted in the conference report would read as follows:

"limits are found by the Secretary to exist on the effective date of this act, and (2) any production on a lease from an oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled within the boundaries of the lease, and which is determined by the Secretary to be a new deposit; (3) any production on or allocated to a lease pursuant to an approved unit or cooperative agreement from an oil or gas deposit which was discovered after May 27, 1941, on land committed to such agreement, and which is determined by the Secretary to be a new deposit, where such lease was included in such agreement at the time of discovery, or was included in a duly executed and filed application for the approval of such agreement at the time of discovery."

The SPEAKER. Is there objection to the request of the gentleman from New Mexico [Mr. FERNANDEZ]?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain this resolution?

Mr. FERNANDEZ. Mr. Speaker, in the passage of the conference report on the Mineral Leasing Act an error was made. The conferees all agreed, but in the preparation of the conference report, which was prepared under the supervision of the counsel for the Department of the Interior, an error crept in and some words were left out. The only purpose of this concurrent resolution, which has passed the Senate, is to make that correction.

Mr. MARTIN of Massachusetts. All it does it correct an error?

Mr. FERNANDEZ. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The Senate concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SOCIAL SECURITY ACT AND THE INTERNAL REVENUE CODE

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7037) to amend the Social Security Act and the Internal Revenue Code, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. KNUTSON. Mr. Speaker, I object.

COAST GUARD SITE AT MIAMI BEACH, DADE COUNTY, FLA.

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2419) to amend further the act of April 6, 1938, as amended by the act of July 9, 1941, entitled "An act authorizing the Secretary of the Treasury to exchange sites at Miami Beach, Dade County, Fla., for Coast Guard purposes."

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. BLAND. This Senate bill is identical with the bill that was reported by the Committee on the Merchant Marine and Fisheries of the House. I have talked with the gentleman from Massachusetts about it and also the ranking Republican member. It is a local matter at Fort Lauderdale, Fla.

Mr. MARTIN of Massachusetts. I know about this legislation. It comes from the committee with a unanimous report. I have no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of April 6, 1938 (52 Stat. 201), as amended by the act of July 9, 1941 (55 Stat. 580), is hereby further amended by adding a new section thereto reading as follows:

"Sec. 3. In addition to the authority granted by this act to exchange the existing Coast Guard site (commonly known as the Base Six property) located at Fort Lauderdale, Broward County, in the State of Florida, the Secretary of the Treasury is authorized to sell and convey said property to the municipality of Fort Lauderdale, Broward County, Fla., at not less than its fair market value, as determined by the board of Coast Guard officers referred to in section 1 hereof, and to devote the proceeds thereof, to the same purposes for which such property may be exchanged under the provisions of this act: *Provided*, That the municipality of Fort Lauderdale shall consummate such purchase not less than 6 months after the property is offered to said municipality for sale."

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 6910) were laid on the table.

AGRICULTURAL RESEARCH

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6932) to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products, with State amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, strike out "full" and insert "maximum."

Page 13, line 17, strike out "(a)" and insert "(b)."

Page 15, line 24, after "services." insert "To the maximum extent practicable marketing research work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural experiment stations; marketing educational and demonstrational work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural extension service; market information, inspection, regulatory work, and other marketing service done hereunder in cooperation with the State agencies shall be done in cooperation with the State departments of agriculture, and State bureaus and departments of markets."

Page 17, line 1, after "new" insert "or expanded."

Page 17, line 2, after "markets" insert "(domestic and foreign)."

Page 17, line 2, after "new" insert "and expanded."

Page 17, line 4, strike out "elsewhere" and insert "abroad."

Page 21, line 1, strike out "research."

Page 21, line 1, after "marketing" insert "service and in marketing research."

Page 21, line 9, after "marketing" insert "services and for marketing."

Page 21, line 12, strike out "research."

Page 21, line 18, strike out "research."

Page 24, line 18, after "products," insert "fish and shellfish."

Page 26, line 3, strike out all after "programs." over to and including line 3, on page 27.

Page 27, line 6, strike out all after "designate." down to and including "committee" in line 10, and insert "The committee shall consist."

Page 27, line 11, strike out all after "organizations" down to and including "committee" in line 13.

Page 27, line 13, strike out "executive."

Page 27, lines 15 and 16, strike out "such advisory or executive committees" and insert "the committee."

Page 27, line 17, strike out "ex officio members" and insert "chairman."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, what is the cost of this program?

Mr. FLANNAGAN. The initial cost will be around \$9,000,000. It is a bill that was unanimously reported by the House Committee on Agriculture after investigating the agricultural marketing situation for some 2 years.

The bill was unanimously passed by the House.

It went to the Senate and was unanimously reported by the Senate Committee with an amendment.

It was passed by the Senate by unanimous vote.

"This bill through research, attempts to do for agriculture just what research has done for industry. It covers production research, utilization research, and marketing research. Moreover, with respect to marketing of agricultural products it brings into play all State, Federal and private agencies engaged in the distribution of agricultural products in order to reduce, as far as possible, the spread between the farm and the table. This bill was reported out after thorough study. As I said, the Committee spent some 2 years investigating agricultural marketing and distribution. Title II of the bill is the answer we found to

marketing of agricultural products. I believe it is the correct answer.

We had before the committee the leading authorities in this country on agricultural marketing, as well as the farmers, the processors, and distributors, and we think we have at last approached the problem in a practical way and in such a way that we will be able to reduce the enormous spread that today exists, and has existed in the past, between the farmer and the ultimate consumer. In my opinion the program will save not only the farmers but the consumers millions of dollars each year.

Mr. SMITH of Ohio. How are these funds distributed with respect to the States?

Mr. FLANNAGAN. We set up three separate and distinct research programs—production research, utility research, and marketing research—and most of the funds will go back to the States on a 50-50 matching basis.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. GROSS. Mr. Speaker, I object.

Mr. FLANNAGAN. Mr. Speaker, I move that the House concur in the Senate amendments.

The SPEAKER. The question is on the motion.

Mr. GROSS. Mr. Speaker, I withdraw my objection to the previous request.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CONSERVATION OF WILDLIFE, FISH, AND GAME

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6097) to amend the act of March 10, 1934, entitled "An act to promote the conservation of wildlife, fish, and game," and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 6, strike out all after line 21, over to and including line 15 on page 7.

Page 7, line 16, strike out "8" and insert "7."

Page 7, line 21, strike out "9" and insert "8."

Page 8, line 1, strike out "10" and insert "9."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, reserving the right to object, as I understand it, the Senate has stricken section 7 from this bill?

Mr. FLANNAGAN. That is right.

Mr. AUGUST H. ANDRESEN. I regret that the Senate saw fit to strike section 7 from the bill. This section, which passed the House by a unanimous vote, was vital to conservation of fish and other wildlife resources in water

areas under the control of the War Department. It sought to assure adequate water levels, without injuring navigation, in pools created by dams for fish and other wildlife resources. Millions of fish have been destroyed by unnecessary draw-down of the water in pools, under orders of the War Department. The War Department has failed to fully cooperate with conservation authorities for the protection of fish, and therefore, there is a need for the provisions of section 7, which was stricken from the bill in the Senate at the instance of the War Department.

The Senate Committee on Agriculture and Forestry prepared amendments to section 7, which should have removed the objections of the War Department. But such amendments did not satisfy the War Department engineers, who demanded that the entire section be stricken. In this connection, I would like to state, that it is the function of Congress to legislate and determine policies for all Government departments, including the War Department. We should not tolerate dictatorial lobbying by any official, which is the case in the present instance. If Congress is not able to determine public policy, this body might as well abrogate to the executive departments, which has been largely done during the past 12 years. As a Member of this Congress I refuse to surrender my prerogatives to any official or agency of the Government on legislative matters.

If it were not for the fact that Congress is about to adjourn, and only two legislative days remain, I would insist that this bill go to conference to restore section 7. To ascertain the prospects for such a move, I have conferred with certain Senators, who advise me that there is no possible chance for the legislation to be considered by a conference committee, and be acted upon in both House and Senate before adjournment on Friday. Therefore, if such a policy is followed, the entire bill will fail of passage in the present session, and, as much as I desire the passage of section 7, I do not want to assume the responsibility for defeating the other excellent provisions of H. R. 6097.

However, I want to serve notice now, that when the new Congress begins in January, I will reintroduce the provisions of section 7, and will press for early action by both House and Senate, notwithstanding the opposition of the War Department.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us what the legislation is?

Mr. FLANNAGAN. Mr. Speaker, the gentleman from Minnesota and the gentleman from Virginia [Mr. ROBERTSON] have taken a leading part in this legislation. May I say that one reason why I have agreed to concur in the Senate amendments is because in the opinion of the gentleman from Minnesota that is the best course to pursue at this time. I full agree with the gentleman that new legislation should be introduced at the beginning of the next session.

Mr. AUGUST H. ANDRESEN. I want to explain that this bill does not cost any money. It provides that the various Federal agencies in dealing with conservation and wildlife shall cooperate and have a common objective in protecting the interests of the wildlife in this Nation.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ADMINISTRATION OF INDIAN AFFAIRS

Mr. STIGLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4386) to facilitate and simplify the administration of Indian affairs, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, after "Affairs", insert "in", insofar as such powers and duties relate to action in individual cases arising under general regulations promulgated by the Secretary of the Interior pursuant to law."

Page 2, line 3, after "Affairs", insert "Such delegated powers shall be exercised subject to appeal to the Secretary, under regulations to be prescribed by him, or, as from time to time determined by him, to the Under Secretary or to an Assistant Secretary of the Department of the Interior, or to the Commissioner of Indian Affairs."

Page 2, line 9, after "law", insert "nor shall anything in this act be deemed to convey authority to delegate any power to issue regulations."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill and the Senate amendments?

Mr. STIGLER. All this bill does is decentralize certain powers from the Secretary of the Interior and delegating them to the Commissioner of Indian Affairs and on down to the superintendent. All that the Senate amendments do is to make sure that the Secretary of the Interior retains the power of delegation.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from South Dakota.

Mr. MUNDT. This bill has the unanimous support of the Committee on Indian Affairs, and it passed the House overwhelmingly. We are simply clarifying the language.

Mr. STIGLER. That is all the amendments do.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

(Mr. STIGLER asked and was given permission to revise and extend his remarks.)

KEETOWAH INDIANS OF THE CHEROKEE NATION IN OKLAHOMA

Mr. STIGLER submitted the following conference report and statement on the bill (H. R. 341) relating to the status of Keetowah Indians of the Cherokee Nation in Oklahoma, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 341) which relates to the status of the Keetowah Indians of the Cherokee Nation in Oklahoma, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to section 2 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, section 2 is hereby amended to read as follows:

"Sec. 2. That there is hereby set aside for the use and benefit of the Indians of the Cheyenne and Arapaho Reservation in Oklahoma the remainder of the lands comprising the diminished Seger School Reserve containing approximately five hundred and thirty-seven acres, and the improvements thereon, in section 15, township 10 north, range 14 west, of the Indian meridian, Oklahoma.

"Subject to the consent of the business committee of the Cheyenne and Arapaho Tribes thereto, the Secretary of the Interior is authorized to enter into an agreement with the Colony Union Graded School District Numbered 1, Colony, Oklahoma, for the use by the district of all or any portion of the land, and improvements thereon, described in this Act: *Provided*, That any such agreement shall contain the express condition that the land therein described and the improvements thereon shall revert to the use of the Indians of the Cheyenne and Arapaho Tribes when no longer used by the said school district for school purposes."

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the title be amended by striking out the words 'Colony Union Graded School District Numbered 1, Colony, Oklahoma', and substitute therefor 'the Cheyenne and Arapaho Indians of Oklahoma.'"

And the Senate agree to the same.

HENRY M. JACKSON,
JOHN R. MURDOCK,
W. G. STIGLER,
KARL E. MUNDT,

Managers on the Part of the House.

ELMER THOMAS,
HENRIK SHIPSTEAD,
E. H. MOORE,
B. K. WHEELER,
JOSEPH C. O'MAHONEY,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 341) which relates to the status of the Keetowah Indians of the Cherokee Nation in Oklahoma, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

Section 2 has been rewritten in order that the original purpose of the Senate amendment might be properly construed. It was the intention of the Senate that this Seger Indian School land be set aside for the Cheyenne and Arapaho Indians and yet be kept available for school purposes so long as it was desired to be so used. Under the amended version of this bill the lands which are now reserved by the United States for school purposes are immediately reconveyed to the Cheyenne and Arapaho Indians. Subject to their approval, the Secretary of the Interior shall enter into an agreement with the Colony Union Graded School District No. 1, Colony, Okla., for the use by the district of all or any portion of this land.

The title of the bill has been amended so as to set out more explicitly the exact nature and intention which the Senate amendment originally purported to convey. The change in phraseology is primarily for clarification purposes.

HENRY M. JACKSON,
JOHN R. MURDOCK,
W. G. STIGLER,
KARL E. MUNDT,

Managers on the Part of the House.

CONSERVATION OF FISHERY RESOURCES OF THE COLUMBIA RIVER

Mr. JACKSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2318) to amend the act of May 11, 1938, for the conservation of the fishery resources of the Columbia River and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this legislation?

Mr. JACKSON. Mr. Speaker, the purpose of this bill is to authorize the official Wildlife Service to coordinate their activities and their work with the States fisheries departments of Oregon, Idaho, and Washington. The bill does not involve any expenditure of money. It is merely a piece of legislation to make that coordination legally possible.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Oregon.

Mr. ANGELL. I am correct, am I not, that this is agreed to by the various State conservation departments, and it is only to secure greater cooperation?

Mr. JACKSON. That is correct. The Governors of the three States, through their fisheries departments, have requested this legislation.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of May 11, 1938 (52 Stat. 345), entitled "An act to provide for the conservation of the fishery resources of the Columbia River, establishment, operation, and maintenance of one or more stations in Oregon, Washington, and Idaho, and for the conduct of necessary investigations, surveys, stream improvements, and stocking operations for these purposes," is amended by deleting therefrom

the comma after the word "construct" as it appears therein and inserting in lieu thereof the word "and" and by deleting the words "and maintain."

Sec. 2. Section 3 of said act is hereby amended to read as follows:

"In carrying out the authorizations and duties imposed by section 2 of this act, the Secretary of the Interior is authorized to utilize the facilities and services of the agencies of the States of Oregon, Washington, and Idaho responsible for the conservation of the fish and wildlife resources in such States, under the terms of agreements entered into between the United States and these States, without regard to the provisions of section 3709 of the Revised Statutes, and funds appropriated to carry out the purposes of this act may be expended for the construction of facilities on and the improvement of lands not owned or controlled by the United States: *Provided*, That the appropriate agency of the State wherein such construction or improvement is to be carried on first shall have obtained, without cost to the United States the necessary title to, interest therein, rights-of-way over, or licenses covering the use of such lands."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGULATING COMMUNICABLE AND PREVENTABLE DISEASES IN THE DISTRICT OF COLUMBIA

Mr. HEALY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 4410, an act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to make regulations to prevent and control the spread of communicable and preventable diseases," approved August 11, 1939, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 10, after line 22, insert:

"Sec. 11. With respect to all persons who, either on behalf of themselves or their minor children or wards, rely in good faith upon spiritual means or prayer in the free exercise of religion to prevent or cure disease, nothing in this act shall have the effect of requiring or giving any health officer or other person the right to compel any such person, minor child or ward, to go to or be confined in a hospital or other medical institution unless no other place for quarantine of such person, minor child, or ward can be secured, nor to compel any such person, child, or ward to submit to any medical treatment."

Page 10, line 23, strike out "11" and insert "12."

Page 11, line 1, strike out "12" and insert "13."

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this legislation?

Mr. HEALY. This legislation has been passed by both the House and the Senate. The purpose of the legislation is to strengthen the hand of the District Health Department in regard to communicable diseases; in other words, to prevent those who have such diseases from mixing with other people in the community until such time as they have

[PUBLIC LAW 733—79TH CONGRESS]

[CHAPTER 966—2D SESSION]

[H. R. 6932]

AN ACT

To provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

Title I of the Act entitled "An Act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges", approved June 29, 1935 (the Bankhead-Jones Act), is amended as follows:

(1) By substituting for section 1, title I, the following section:

"SECTION 1. It is hereby declared to be the policy of the Congress to promote the efficient production and utilization of products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agriculture and rural life as indispensable to the maintenance of maximum employment and national prosperity. It is also the intent of Congress to assure agriculture a position in research equal to that of industry which will aid in maintaining an equitable balance between agriculture and other sections of our economy. For the attainment of these objectives, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the laws and principles underlying the basic problems of agriculture in its broadest aspects, including but not limited to: Research relating to the improvement of the quality of, and the development of new and improved methods of the production, marketing, distribution, processing, and utilization of plant and animal commodities at all stages from the original producer through to the ultimate consumer; research into the problems of human nutrition and the nutritive value of agricultural commodities, with particular reference to their content of vitamins, minerals, amino and fatty acids, and all other constituents that may be found necessary for the health of the consumer and to the gains or losses in nutritive value that may take place at any stage in their production, distribution, processing, and preparation for use by the consumer; research relating to the development of present, new, and extended uses and markets for agricultural commodities and byproducts as food or in commerce, manufacture, or trade, both at home and abroad, with particular reference to those foods and fibers for which our capacity to produce exceeds or may exceed existing economic demand; research to encourage the discovery, introduction, and breeding of new and useful agricultural crops, plants,

and animals, both foreign and native, particularly for those crops and plants which may be adapted to utilization in chemical and manufacturing industries; research relating to new and more profitable uses for our resources of agricultural manpower, soils, plants, animals, and equipment than those to which they are now, or may hereafter be, devoted; research relating to the conservation, development, and use of land, forest, and water resources for agricultural purposes; research relating to the design, development, and the more efficient and satisfactory use of farm buildings, farm homes, farm machinery, including the application of electricity and other forms of power; research relating to the diversification of farm enterprises, both as to the type of commodities produced, and as to the types of operations performed, on the individual farm; research relating to any other laws and principles that may contribute to the establishment and maintenance of a permanent and effective agricultural industry including such investigations as have for their purpose the development and improvement of the rural home and rural life, and the maximum contribution by agriculture to the welfare of the consumer and the maintenance of maximum employment and national prosperity; and such other researches or experiments bearing on the agricultural industry or on rural homes of the United States as may in each case be deemed advisable, having due regard to the varying conditions and needs of Puerto Rico, the respective States, and Territories. In effectuating the purposes of this section, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations and of the facilities of the Federal and State extension services. Research authorized under this section shall be in addition to research provided for under existing law (but both activities shall be coordinated so far as practicable)."

(2) By adding at the end thereof the following new sections:

"SEC. 9. (a) In order to carry out further the purposes of section 2 of this title, there is hereby authorized to be appropriated in addition to all other appropriations authorized by this title the following sums:

"(1) \$2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

"(2) An additional \$2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

"(3) An additional \$5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

"(4) An additional \$5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

"(5) An additional \$5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

"(6) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

"The moneys appropriated in pursuance of this title shall also be available for the purchase and rental of land and the construction or acquisition of buildings necessary for conducting research provided for in this title, for the equipment and maintenance of such buildings, and for printing and disseminating the results of research. Sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available

for agricultural experiment stations. The said agricultural experiment stations are authorized to plan and conduct any research provided for under this title in cooperation with each other and such other appropriate agencies and individuals as may contribute to the solution of these problems and sums appropriated in pursuance of this title shall be available to meet the necessary expenses of such research.

"Unexpended balances of allotments to experiment stations from appropriations made under this section during the first five fiscal years may remain available for expenditure by the same experiment stations at which the unexpended balances occurred for the purposes specified in section 1 and for the following periods: Unexpended balances of the first year's allotments, five years; of the second fiscal year's allotments, four years; of the third fiscal year's allotments, three years; of the fourth fiscal year's allotments, two years; and of the fifth fiscal year's allotments, one year; and any unexpended balances of allotments to any experiment stations from appropriations made under this section of any subsequent fiscal year shall be deducted from the next succeeding annual allotments to such experiment stations.

"(b) Not less than 97 per centum of the sums appropriated for any fiscal year under this section shall be available for the purposes of section 2 to be allotted to Puerto Rico, each State and Territory as follows:

"(1) Twenty per centum of the sums appropriated for any fiscal year under this section shall be allotted equally to Puerto Rico, each State and Territory: *Provided*, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico or the State or Territory makes available for such fiscal year out of its own funds, for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

"(2) Not less than 52 per centum of the sums appropriated for any fiscal year under this section shall be allotted to Puerto Rico, each State and Territory as follows: One-half in an amount which bears the same ratio to the total amount to be allotted as the rural population of Puerto Rico or the State or Territory bears to the total rural population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census; and one-half in an amount which bears the same ratio to the total amount to be allotted as the farm population of Puerto Rico or the State or Territory bears to the total farm population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census: *Provided*, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico, or the State or Territory makes available for such fiscal year out of its own funds for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for

such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

"(3) Not more than 25 per centum of the sums appropriated for any fiscal year under this section shall be allotted to the States for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State. The funds available for such purposes shall be designated as the 'Regional research fund, Office of Experiment Stations' and shall be used only for cooperative regional projects recommended by a committee of nine persons elected by and representing the directors of the State agricultural experiment stations and approved by the Secretary of Agriculture or his authorized representative. The necessary travel expense of said committee of nine in performance of their duties may be paid from the regional research fund, Office of Experiment Stations, provided for under this subsection.

"(c) Three per centum of the sums appropriated for any fiscal year under this section shall be available to the Office of Experiment Stations of the United States Department of Agriculture for administration of research under this section, including participation in planning and coordinating the cooperative regional research.

"SEC. 10. (a) In order to carry out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities and products thereof authorized by section 1 of this title, and to disseminate information relative thereto, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated the following sums:

"(1) \$3,000,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

"(2) An additional \$3,000,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

"(3) An additional \$3,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

"(4) An additional \$3,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

"(5) An additional \$3,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

"(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

"The Secretary of Agriculture, in accordance with such regulations as he deems necessary, and when in his judgment the work to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture, may enter into contracts with such public or private organizations or individuals as he may find qualified to carry on work under this section without regard to the provisions of section 3709, Revised Statutes, and with respect to such contracts he may make advance progress or other payments without regard to the provisions of section 3648, Revised Statutes. Contracts hereunder may be made for work to continue

not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. Research authorized under this subsection shall be conducted so far as practicable at laboratories of the Department of Agriculture. Projects conducted under contract with public and private agencies shall be supplemental to and coordinated with research of these laboratories. Any contracts made pursuant to this authority shall contain requirements making the results of research and investigations available to the public through dedication, assignment to the Government, or such other means as the Secretary shall determine.

“(b) In order to carry out further the purposes of section 1, other than research on utilization of agricultural commodities and the products thereof, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated for cooperative research with the State agricultural experiment stations and such other appropriate agencies as may be mutually agreeable to the Department of Agriculture and the experiment stations concerned, the following sums:

“(1) \$1,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

“(2) An additional \$1,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

“(3) An additional \$1,500,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

“(4) An additional \$1,500,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

“(5) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1951, and thereafter, as the Congress may deem necessary.

“(c) The Secretary may incur necessary administrative expenses not to exceed 3 per centum of the amount appropriated in any fiscal year in carrying out this section, including the specific objects of expense enumerated in section 3 of this title.

“(d) The ‘Special research fund, Department of Agriculture’, provided by section 4 of this title, shall continue to be available solely for research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to the improvement of the quality of, and the development of, new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and byproducts and manufactures thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes. Such research shall be in addition to research provided for under other law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary of Agriculture may designate or establish.

“SEC. 11. Notwithstanding any other provision of this title, (1) not less than 20 per centum of the funds [authorized to be] appropriated

under section 9 (a) shall be used by State agricultural experiment stations for conducting marketing research projects approved by the Department of Agriculture, and (2) cooperative research projects provided for under sections 9 (b) (3) and 10 (b) shall be carried out under cooperative agreements between the Secretary of Agriculture and the cooperating agencies and shall include appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Should duplication or overlapping occur subsequent to approval of a cooperative research project, the Secretary of Agriculture is authorized and directed to withhold unexpended balances on such projects notwithstanding the prior approval thereof. The Secretary of Agriculture shall include in his annual report to Congress a complete statement of research work being performed under contracts or cooperative agreements under this title, showing the names of the agencies cooperating and the amounts expended thereon, segregated by Federal and non-Federal funds."

TITLE II

This title may be cited as the "Agricultural Marketing Act of 1946".

SEC. 202. The Congress hereby declares that a sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation. It is further declared to be the policy of Congress to promote through research, study, experimentation, and through cooperation among Federal and State agencies, farm organizations, and private industry a scientific approach to the problems of marketing, transportation, and distribution of agricultural products similar to the scientific methods which have been utilized so successfully during the past eighty-four years in connection with the production of agricultural products so that such products capable of being produced in abundance may be marketed in an orderly manner and efficiently distributed. In order to attain these objectives, it is the intent of Congress to provide for (1) continuous research to improve the marketing, handling, storage, processing, transportation, and distribution of agricultural products; (2) cooperation among Federal and State agencies, producers, industry organizations, and others in the development and effectuation of research and marketing programs to improve the distribution processes; (3) an integrated administration of all laws enacted by Congress to aid the distribution of agricultural products through research, market aids and services, and regulatory activities, to the end that marketing methods and facilities may be improved, that distribution costs may be reduced and the price spread between the producer and consumer may be narrowed, that dietary and nutritional standards may be improved, that new and wider markets for American agricultural products may be developed, both in the United States and in other countries, with a view to making it possible for the full production of American farms to be disposed of usefully, economically, profitably, and in an orderly manner. In effectuating the purposes of this title, maximum use shall be made of existing research facilities owned or controlled by the Federal Government

or by State agricultural experiment stations and of the facilities of the Federal and State extension services. To the maximum extent practicable marketing research work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural experiment stations; marketing educational and demonstrational work done hereunder in cooperation with the States shall be done in cooperation with the State agricultural extension service; market information, inspection, regulatory work and other marketing service done hereunder in cooperation with the State agencies shall be done in cooperation with the State departments of agriculture, and State bureaus and departments of markets.

SEC. 203. The Secretary of Agriculture is directed and authorized:

(a) To conduct, assist, and foster research, investigation, and experimentation to determine the best methods of processing, preparation for market, packaging, handling, transporting, storing, distributing, and marketing agricultural products: *Provided*, That the results of such research shall be made available to the public for the purpose of expanding the use of American agricultural products in such manner as the Secretary of Agriculture may determine.

(b) To determine costs of marketing agricultural products in their various forms and through the various channels and to foster and assist in the development and establishment of more efficient marketing methods (including analyses of methods and proposed methods), practices, and facilities, for the purpose of bringing about more efficient and orderly marketing, and reducing the price spread between the producer and the consumer.

(c) To develop and improve standards of quality, condition, quantity, grade, and packaging, and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices.

(d) To conduct, assist, foster, and direct studies and informational programs designed to eliminate artificial barriers to the free movement of agricultural products.

(e) To foster and assist in the development of new or expanded markets (domestic and foreign) and new and expanded uses and in the moving of larger quantities of agricultural products through the private marketing system to consumers in the United States and abroad.

(f) To conduct and cooperate in consumer education for the more effective utilization and greater consumption of agricultural products: *Provided*, That no money appropriated under the authority of this Act shall be used to pay for newspaper or periodical advertising space or radio time in carrying out the purposes of this section and section 203 (e). ✓

(g) To collect and disseminate marketing information, including adequate outlook information on a market-area basis, for the purpose of anticipating and meeting consumer requirements, aiding in the maintenance of farm income, and bringing about a balance between production and utilization of agricultural products.

(h) To inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in interstate commerce, under such rules and regulations as the Secretary of Agriculture may prescribe, including assessment and collection of

such fees as will be reasonable and as nearly as may be to cover the cost of the service rendered, to the end that agricultural products may be marketed to the best advantage, that trading may be facilitated, and that consumers may be able to obtain the quality product which they desire, except that no person shall be required to use the service authorized by this subsection. Any official certificate issued under the authority of this subsection shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the statements therein contained.

(i) To determine the needs and develop or assist in the development of plans for efficient facilities and methods of operating such facilities for the proper assembly, processing, transportation, storage, distribution, and handling of agricultural products.

(j) To assist in improving transportation services and facilities and in obtaining equitable and reasonable transportation rates and services and adequate transportation facilities for agricultural products and farm supplies by making complaint or petition to the Interstate Commerce Commission, the Maritime Commission, the Civil Aeronautics Board, or other Federal or State transportation regulatory body with respect to rates, charges, tariffs, practices, and services, or by working directly with individual carriers or groups of carriers.

(k) To collect, tabulate, and disseminate statistics on marketing agricultural products, including, but not restricted to statistics on market supplies, storage stocks, quantity, quality, and condition of such products in various positions in the marketing channel, utilization of such products, and shipments and unloads thereof.

(l) To develop and promulgate, for the use and at the request of any Federal agency or State, procurement standards and specifications for agricultural products, and submit such standards and specifications to such agency or State for use or adoption for procurement purposes.

(m) To conduct, assist, encourage, and promote research, investigation, and experimentation to determine the most efficient and practical means, methods, and processes for the handling, storing, preserving, protecting, processing, and distributing of agricultural commodities to the end that such commodities may be marketed in an orderly manner and to the best interest of the producers thereof.

(n) To conduct such other research and services and to perform such other activities as will facilitate the marketing, distribution, processing, and utilization of agricultural products through commercial channels.

SEC. 204. (a) In order to conduct research and service work in connection with the preparation for market, processing, packaging, handling, storing, transporting, distributing, and marketing of agricultural products as authorized by this title, there is hereby authorized to be appropriated the following sums:

(1) \$2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional \$2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

(3) An additional \$5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

(4) An additional \$5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) An additional \$5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

Such sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available to the Department of Agriculture.

(b) The Secretary of Agriculture is authorized to make available from such funds such sums as he may deem appropriate for allotment to State departments of agriculture, State bureaus and departments of markets, State agricultural experiment stations, and other appropriate State agencies for cooperative projects in marketing service and in marketing research to effectuate the purposes of title II of this Act: *Provided*, That no such allotment and no payment under any such allotment shall be made for any fiscal year to any State agency in excess of the amount which such State agency makes available out of its own funds for such research. The funds which State agencies are required to make available in order to qualify for such an allotment shall be in addition to any funds now available to such agencies for marketing services and for marketing research. The allotments authorized under this section shall be made to the agency or agencies best equipped and qualified to conduct the specific project to be undertaken. Such allotments shall be covered by cooperative agreements between the Secretary of Agriculture and the cooperating agency and shall include appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Should duplication or overlapping occur subsequent to approval of a cooperative project or allotment of funds, the Secretary of Agriculture is authorized and directed to withhold unexpended balances on such projects notwithstanding the prior approval thereof.

SEC. 205. (a) In carrying out the provisions of title II of this Act, the Secretary of Agriculture may cooperate with other branches of the Government, State agencies, private research organizations, purchasing and consuming organizations, boards of trade, chambers of commerce, other associations of business or trade organizations, transportation and storage agencies and organizations, or other persons or corporations engaged in the production, transportation, storing, processing, marketing, and distribution of agricultural products whether operating in one or more jurisdictions. The Secretary of Agriculture shall have authority to enter into contracts and agreements under the terms of regulations promulgated by him with States and agencies of States, private firms, institutions, and individuals for the purpose of conducting research and service work, making and compiling reports and surveys, and carrying out other functions relating thereto when in his judgment the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. Contracts hereunder may be made for work to be performed within a period not more than four years from the date of any such contract, and advance, progress, or other payments may be made. The provisions of section 3648 (31

U. S. C., sec. 529) and section 3709 (41 U. S. C., sec. 5) of the Revised Statutes shall not be applicable to contracts or agreements made under the authority of this section. Any unexpended balances of appropriations obligated by contracts as authorized by this section may, notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C., sec. 713), remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. Any contract made pursuant to this section shall contain requirements making the result of such research and investigations available to the public by such means as the Secretary of Agriculture shall determine.

(b) The Secretary of Agriculture shall promulgate such orders, rules, and regulations as he deems necessary to carry out the provisions of this title. In his annual report to Congress, he shall include a complete statement of research work being performed under contracts or cooperative agreements under this title, showing the names of the agencies cooperating and the amounts expended thereon, segregated by Federal and non-Federal funds.

SEC. 206. In order to facilitate administration and to increase the effectiveness of the marketing research, service, and regulatory work of the Department of Agriculture to the fullest extent practicable, the Secretary of Agriculture is authorized, notwithstanding any other provisions of law, to transfer, group, coordinate, and consolidate the functions, powers, duties, and authorities of each and every agency, division, bureau, service, section, or other administrative unit in the Department of Agriculture primarily concerned with research, service, or regulatory activities in connection with the marketing, transportation, storage, processing, distribution of, or service or regulatory activities in connection with, the utilization of, agricultural products, into a single administrative agency. In making such changes as may be necessary to carry out effectively the purposes of this title, the records, property, personnel, and funds of such agencies, divisions, bureaus, services, sections, or other administrative units in the Department of Agriculture affected thereby are authorized to be transferred to and used by such administrative agency to which the transfer may be made, but such unexpended balances of appropriations so transferred shall be used only for the purposes for which such appropriations were made.

SEC. 207. When used in this title, the term "agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock and poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured product thereof.

SEC. 208. The Secretary of Agriculture shall have the power to appoint, remove, and fix, in accordance with existing law, the compensation of such officers and employees, and to make such expenditures as he deems necessary, including expenditures for rent outside the District of Columbia, travel, supplies, books, equipment, and such other expenditures as may be necessary to the administration of this title: *Provided*, That the Secretary of Agriculture may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for

a term not to exceed six months in any fiscal year to perform research, inspection, classification, technical, or other special services, without regard to the civil-service laws or the Classification Act of 1923, as amended.

TITLE III

SEC. 301. In order to aid in implementing the research and service work authorized under titles I and II of this Act, and to assist in obtaining the fullest cooperation among Federal and State agencies, producers, farm organizations, and private industry, in the development of and in effectuating such research and service programs, and in order to secure the greatest benefit from the expenditure of funds, the Secretary of Agriculture shall establish a national advisory committee. The functions of such advisory committee shall be to consult with the Secretary of Agriculture and other appropriate officials of the Department of Agriculture, to make recommendations relative to research and service work authorized by this Act, and to assist in obtaining the cooperation of producers, farm organizations, industry groups, and Federal and State agencies in the furtherance of such research and service programs. The chairman of the committee shall be the Secretary of Agriculture or such other official of the Department of Agriculture as he shall designate. The committee shall consist of eleven members, six of whom shall be representatives of producers or their organizations. The committee shall meet at least once each quarter and at such other times as are deemed necessary. Members of the committee may not appoint alternates to serve in their stead. Committee members other than the chairman shall not be deemed to be employees of the United States and are not entitled to compensation, but the Secretary of Agriculture is authorized to allow their traveling and subsistence expenses necessary in connection with their attendance at meetings called by him for the purposes of this section.

SEC. 302. In the furtherance of the research and service work authorized by this Act, the Secretary of Agriculture may, in addition to the national advisory committee, establish appropriate committees, including representatives of producers, industry, government, and science, to assist in effectuating specific research and service programs.

Approved August 14, 1946.

IMMEDIATE RELEASE

AUGUST 14, 1946

STATEMENT BY THE PRESIDENT

In Approving H.R. 6932, An Act to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products.

Agricultural marketing is the means by which we get food and fiber from our farms to consumers. Anything that increases efficiency in moving farm products to consumers is a material contribution to the nation's welfare. I note that this legislation has the support of producers, distributors, and consumers, and was passed by both Houses of Congress without a dissenting vote.

I consider it a major step for the improvement of the private agricultural marketing system of our country. In addition to work by the United States Department of Agriculture, grants to States are provided as well as authority for entering into contracts with other public and private agencies to accomplish the purposes of this Act. It provides for research on all types of agricultural problems, particularly on utilization of farm products, and the improvement of marketing services.

It is to research that we must attribute much of our progress on the food front as well as on the battle front during the war. Now as we move into a new period of peace basic research and the application of the results, become even more important. Our greatest peacetime agricultural problem is the efficient marketing of adequate quantities of the right kinds of foods and other farm products. The basic research provided for in this Bill will help solve the problem, and will be of great value to future generations.

- - - - -

The first part of the chapter discusses the importance of the study of the history of the United States. It is a study of the past, but it is also a study of the present. The history of the United States is a story of the struggle for freedom and the pursuit of the American dream. It is a story of the triumph of the human spirit over adversity and the power of the individual to make a difference in the world.

The second part of the chapter discusses the role of the federal government in the United States. It is a study of the powers and responsibilities of the federal government and the relationship between the federal government and the states. The federal government is a powerful institution, but it is also a limited institution. It is a study of the balance of power between the federal government and the states and the role of the federal government in the lives of the American people.

The third part of the chapter discusses the role of the states in the United States. It is a study of the powers and responsibilities of the states and the relationship between the states and the federal government. The states are a powerful institution, but they are also a limited institution. It is a study of the balance of power between the states and the federal government and the role of the states in the lives of the American people.

The fourth part of the chapter discusses the role of the courts in the United States. It is a study of the powers and responsibilities of the courts and the relationship between the courts and the other branches of the federal government. The courts are a powerful institution, but they are also a limited institution. It is a study of the balance of power between the courts and the other branches of the federal government and the role of the courts in the lives of the American people.